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UNITED STATES CORDAGE SUPPLY POLICY

by Isabel Ann Baldwin

The United States is totally dependent upon imports for its supply of hard cordage fibers. With the outbreak of the war, the Allies were soon cut off from major sources at the very time that military requirements were high. This article outlines the measures taken by the Government to provide for military and civilian needs.

None of the principal cordage fibers is grown commercially in the United States, and imports of such fibers are admitted free of duty under the provisions of the Tariff Act of 1930. Some cordage products are subject to import duties and others are admitted free. Binder twine, the chief hard-fiber product imported, is duty-free. Rope, cord, and other items are dutiable.

The use and production of the principal hard fibers (abacá, sisal, and henequen) have spread around the world since the latter part of the nineteenth century following the invention of rope-making machinery and twine-using mechanical grain-binders. Although large-scale cordage production expanded chiefly in the North Temperate Zone, fiber production engirdled the world in the Tropics.

The United States is one of the major cordage-manufacturing countries, consuming during the period 1935-38 over one third of the world's exportable supply of hard fibers. Average annual United States imports for these years amounted to 162,000 long tons, of which 62,000 tons were Mexican henequen, 38,000 tons Philippine abacá, 30,000 tons Netherlands Indies sisal, and 17,000 tons British East African sisal, and smaller quantities of Cuban, Portuguese, African, Haitian, and Salvadoran fiber.

There is sufficient American mill capacity to produce for total American needs, but foreign competitors have been able to produce at lower costs and to undersell in this market. In 1939, for example, imports of hard-fiber cordage products (rope, wrapping twines, and binder twine) were 26 percent of the quantity of United States sales, and 86 percent of the imports were admitted duty-free. Although rope is dutiable, the duty was applicable to only 14.5 percent of the imports in 1939 because Philippine abacá rope, which is imported free of duty, accounted for 85.5 percent of the total.

An annual tariff quota of 3,000,000 pounds of duty-free rope from the Philippines was established in the Philippine Independence Act of 1934. Imports over 3,000,000 pounds were subject to duty payment. The Cordage Act, effective May 1, 1935, revised this to an annual absolute quota of 6,000,000, all of which was duty-free. The latter has been extended to 1954 by the Philippine Trade Act of 1946 (Public Law 371, 79th Cong.), which also provides for the gradual application of duty. Beginning in 1954, a duty of 5 percent of the lowest duty charged will be levied and will be increased 5 percent each year until 1974 when the full general tariff rate will be applicable. With the imposition

of the full tariff rate, the quota restriction will expire.

National Security Policy

Abacá rope, which is the best type for marine purposes, is essential for Navy operations. The fact that cordage-fiber sources of supply are distant and widespread made the United States mindful of its need of an abacá stockpile for national security. As early as 1937, the Army and Navy Munitions Board recognized that Philippine abacá was a vital war material, and when Congress passed Public Act 117 (Strategic War Materials Act) on June 7, 1939, for Treasury procurement of essential materials for national defense, abacá was included. Because of this foresight, approximately 30,870 tons of abacá had been stockpiled in this country by December 1941 in addition to inventories built up by the Navy Rope Walk and American factories. A program for public purchase and stockpile of 40,000 tons of agave fiber (sisal and henequen) was instituted April 30, 1941. This supply was intended at that time chiefly to protect civilian requirements. The Office of Production Management issued Conservation Order M-36, August 29, 1941, which regulated the domestic processing and sale of abacá and abacá rope.

When the Philippines and the Netherlands East Indies were lost at the beginning of the war, the Allies were faced with the threat of an increasingly grave shortage of hard fibers.

The United Kingdom, Canada, and the United States joined forces immediately to insure the most equitable and effective utilization of cordage fiber available to the Allies. The Combined Raw Materials Board was formed in January 1942 as an organization through which the countries could exchange necessary information concerning supplies and requirements of essential raw materials and through which allocations could be established. Early in 1942 cordage fibers and their products were brought under international control and allocation by the Board.

This action was followed by an early change-over from private to public purchase and importation of cordage fibers and products in order to obtain as much fiber as possible. The United Kingdom Ministry of Supply arranged to purchase the entire sisal output of British East

Africa, which was the major source of sisal left to the Allies. The United States, through the Reconstruction Finance Corporation and its subsidiaries, purchased the exportable supply of Mexican and Cuban henequen, Bahaman and Madagascan sisal, and Portuguese African sisal other than the quantities required to meet the quotas established by the Combined Raw Materials Board for the Iberian Peninsula. Although all available fiber was obtained and controlled, supplies were still far short of essential requirements.

To implement the change-over from private to public purchase, United States importers, dealers, and jobbers were permitted to complete deliveries of agave contracts entered into prior to February 20, 1942, the date on which General Conservation Order M-84, regulating agave fibers, was issued. Since abacá fiber was no longer available from the Philippines, imports, except those afloat, were unlikely. On January 18, 1943, agave fiber, cords, and twines were placed under the general supervisory provisions of General Imports Order M-63. Abacá fiber was put under M-63 on April 28, 1943, and abacá cordage on June 28, 1943.

One of the most effective devices for safeguarding Allied shipment and delivery of supplies was the navicert system, put into effect August 1, 1940, an instrument of the British blockade. Although the United Kingdom was vitally interested in stopping the flow of raw materials to the Axis, it did not want to disturb the *bona fide* trade of neutrals. An efficient blockade required many patrol boats and large bases for the examination of cargo. In order to safeguard neutrals, many of the details of the blockade, which could be handled ashore, were shifted to British consulates the world over. Cargoes and credentials were examined in port, and if they were approved the ship's captain was furnished a navicert, or blockade passport. British port facilities and insurance were denied to ships traveling without navicerts. The British Navy confined its sea activity chiefly to ships thought to be without navicerts. Shipments of sisal from Portuguese Africa were regulated by this system, many of the sisal plantations were German-owned.

In order to augment the supply, abacá and sisal plantations were developed in Central America and Haiti, respectively, and true hemp (*Canna-*

bis sativa) production was greatly expanded in the United States.

Abacá plants had been brought from the Philippines to Panama by the U.S. Department of Agriculture in the years 1925-27 for experimental purposes, because it had been realized that a war in the Pacific might cause the United States to lose its contact with the Philippines. These abacá plants had been cared for as a seed bed on United Fruit Company lands in Panama and were available in 1941 for planting stock.

On December 18, 1941, the Army and Navy Munitions Board asked the Office of Production Management to take immediate action to insure maximum production of abacá in Central America. The first step was a contract entered into on January 2, 1942, between the Defense Supplies Corporation and the United Fruit Company for the leasing of the 2,046-acre seed bed in Panama and additional suitable lands not to exceed 20,000 acres in Panama and Costa Rica for the growth of abacá. This was followed on September 11, 1942, by two additional contracts in which the United Fruit Company agreed to select but not to lease suitable lands in Guatemala and Honduras amounting to 5,000 acres in each country with an additional 5,000-acre option in Guatemala. Under the terms of these contracts, 28,694 acres were planted. Approximately 25,900 acres are now maintained. Production increased from 400 long tons in 1942 to almost 10,000 long tons in 1945. It has been estimated that the plantations will reach full maturity in 1949 with optimum production set at slightly under 29,000 long tons. All fiber produced under these contracts, which are effective until December 31, 1948, is the property of the Defense Supplies Corporation. Although the production was comparatively small during the war years, it represented a significant step toward hemispheric security and if continued, under either governmental or private control, might become an effective stockpile in the ground for future years.

Sisal production in Haiti has been greatly expanded because of the wartime demand, and the Haitian fiber is now known as one of the finest sisals in the world. Commercial production had been started in 1926 when approximately 1,000 acres were planted; by 1932 there were about 12,500 acres, and by the end of 1945 almost 50,000

acres were under cultivation. On April 6, 1942, an agreement between the Haitian and United States Governments was signed which pledged that the two countries would employ their full resources against the common enemy and provided that the Export-Import Bank of the United States would make a loan to the Haitian Government for the planting of essential crops in Haiti by the Société Haitiano-Américaine de Développement Agricole (SHADA). Among such crops was sisal. In addition the U.S. Commercial Company financed the expansion of the Haitian Agricultural Corporation (HACOR) plantations. The United States bought by public-purchase contracts all Haitian plantation sisal except specified quantities set aside for the Haitian sisal handicraft industry. Total Haitian exports increased from 358 long tons in the fiscal year 1929-30 to 16,521 long tons in the year 1945-46.

When the Allies found themselves short of hard fiber, it seemed feasible to supplement the supply with hemp, which is an annual plant that can be grown in the temperate zone and which had been the chief cordage fiber used prior to 1850. Having this in mind, on February 9, 1942, the War Production Board recommended a program for American hemp production and extended priority assistance to expedite the building of scutching mills and other necessary equipment. The Department of Agriculture was requested to plant hemp in 1942 in order to obtain seed for large-scale fiber production in 1943. Following this fiber-production schedule, seed grown in 1942 was planted in both Canada and the United States in 1943. Hemp fiber was harvested in 1943 and 1944. Experience showed that this fiber was comparatively expensive to raise and difficult to use as an extender in hard-fiber cordage manufacture. Beginning in late 1944, therefore, the program was gradually curtailed.

Jute rope was manufactured in larger than usual quantities to meet a part of the wartime demand. Since supplies of raw jute were also limited during the war, its permitted use pattern was integrated with that of the hard fibers to meet the most essential requirements.

Extensive research was made into the utilization of various native Western Hemisphere fibers, including Ixtle, Pita Floja, Cabuya, Figue Roselle, and Sansevieria.

Rope and twine were bought in Mexico and Cuba under public-purchase programs in order to meet the requirements not covered by fiber availabilities. It is of some significance that the United States imports of hard-fiber cordage products (largely Government purchases) totaled approximately 56,700 long tons in 1945 and that under the impetus of this heavy United States demand there has resulted the development of rather large hard-fiber cordage and twine productive capacities in those two countries.

Cordage fiber allocated to the United States by the Combined Raw Materials Board was bought under exclusive public purchase and importation and was allocated by the War Production Board to the domestic mills, including the Navy Rope Walk. Production quotas for each mill were calculated from prewar production rates and formed the basis for fiber allocations. Abacá was released from stockpile for only the most critical military uses. Sisal was allocated as the cargo approached port and was transferred by rail directly to the cordage mills.

Strict control of fiber inventories, products to be manufactured, and use of the products was maintained on the same basis in the United States, United Kingdom, and Canada.

As previously indicated, use and sale of abacá and abacá products were restricted by Conservation Order M-36, which became effective August 29, 1941. This order was amended many times, each revision substantially reducing the consumption and tightening the uses of abacá. Sisal having a tensile strength equal to 80 percent of that of abacá is its best substitute and consequently was utilized where abacá was no longer permitted. Order M-84, restricting the use of agave (sisal and henequen), was first issued February 20, 1942. Originally its principal effect was to reduce and then, on October 1, 1942, to prohibit the manufacture of wrapping twine. On October 27, 1943, the abacá and sisal orders were combined in a revision of M-84, and permitted end-uses of both fibers and manufactures were set forth. The order was continually revised to reflect changes in supply and demand. After the drop in military requirements following V-J Day, M-84 has reflected the channeling of fiber toward the essential civilian requirements. In the revision of April 16, 1947, processing quotas and a simplified end-use schedule were still maintained, although abacá

restrictions on use and inventory were subsequently removed on May 2, 1947. Effective July 16, 1947, all domestic cordage regulations were removed as the result of termination of enabling legislation.

In the fall of 1944, it became apparent that the United States military forces in the Pacific would regain the Philippines and that abacá could probably again be obtained. For that reason, on October 4, 1944, the War Production Board authorized the Reconstruction Finance Corporation to buy 100,000 bales of abacá. This quantity was increased to 200,000 bales on November 1, 1944.

In order to procure the needed Philippine abacá, a company known as PAMCO (Philippine Abacá Management Corporation) was organized in late 1944 as an agent of the RFC. Four American firms which had had prewar experience in the Philippines in the marketing and exporting of abacá joined their forces and knowledge in PAMCO. This company began the rehabilitation of the industry by making arrangements for equipment, warehousing, and other activities necessary for restoration of production and marketing. Since consumer goods were in critically short supply in the Philippine Islands, PAMCO paid for part of its fiber with incentive trade goods, such as cotton fabrics and food. Exports, although amounting to only 2,473 long tons in 1945, had reached 40,140 long tons in 1946. Although not a great quantity of fiber was obtained from the Philippines in time for the heavy late-war military requirements, the fact that the industry was beginning to recover cushioned the impact of the steady diminution of fiber supplies.

Postwar Policy

By the end of the war the fiber stockpile had been exhausted, and industry stocks represented less than three months' supply on the basis of existing restrictions in M-84. V-J Day was followed by wide-scale cancellation of military rope contracts and requirements which enabled a substantial reduction in rope production. However, the output had to be maintained at a level considerably above the prewar normal owing to greatly expanded merchant shipping and the level of industrial and agricultural requirements. Moreover, minimum requirements of fiber for the manufacture of binder and baler twine were in excess of current receipts of sisal and henequen.

The Combined Raw Materials Board was dissolved on December 31, 1945. After that date, the United Kingdom allocated British East African sisal on a unilateral basis. During 1946 sisal exports from British East Africa amounted to 135,712 long tons, of which 84,855 tons were sent to the United Kingdom, 24,625 to Canada, 11,450 long tons to Australia, 11,095 long tons to the United States, 2,437 to South Africa, 550 tons to India, 350 tons to New Zealand, and 350 to the Middle East. From the quantity shipped to the United Kingdom, allocations were made to European countries.

The United States has continued its public purchase of both fiber and binder twine, in order to assure more adequate supplies.

A Philippine-United States Government-to-Government abacá agreement was signed August 8, 1946. This provided that during the period August 8, 1946, to June 30, 1947, the United States would have the exclusive right to purchase the exportable surplus of Philippine abacá. Prices were established by terms of the agreement, but a clause was inserted which permitted a review of prices on the initiative of either Government. In October, the Philippine Government asked that an upward revision of prices be considered but shortly thereafter requested cancellation of the agreement. On November 18, the contract was canceled and free market conditions in Philippine abacá were established. In this connection it should be pointed out that production of abacá in the Philippines totaled only 49,000 tons in 1946, or approximately one fourth of prewar normal output. However, the rate of production has increased during the first quarter of 1947, and if this rate is maintained throughout the year, 1947 production may amount to half the prewar annual output. Exchange difficulties in the European countries have limited thus far their purchases of Philippine abacá. As a result of this and the inability of the Japanese to purchase their prewar quantities, the U.S. importers have been obtaining the bulk of the Philippine abacá.

American public-purchase contracts with Mexico and Haiti for agave fiber have been extended with minor price revisions and are expected to continue until December 31, 1947.

An agreement with the Portuguese Government for the U.S. procurement of Mozambique and Angolan sisal was reached on May 17, 1946, to permit

the purchase of the total production of the German plantations in the two colonies and 40 percent of the production of the Portuguese producers in Mozambique during the period June 1, 1946, to June 30, 1947. This differed from previous RFC contracts which had covered total Angolan and Mozambique production less the quota for the Iberian Peninsula. The new agreement freed 60 percent of Portuguese-produced Mozambique sisal and 100 percent of Portuguese-produced Angolan sisal for other markets, in recognition of the need of other importing countries, especially Europe. This contract has not been renewed beyond June 30, 1947.

There was a serious shortage of binder and baler twine for the 1946 harvest. In order to avoid a similar situation in 1947, the Civilian Production Administration took steps to insure sufficient twine. Fiber bought under the Mexican and Portuguese African contracts was allocated for binder- and baler-twine production. In addition, CPA recommended that the Reconstruction Finance Corporation buy 30,000,000 pounds of Mexican or Cuban binder twine. Against this recommendation RFC contracted for 22,500,000 pounds of Mexican binder twine. Low grades of abacá are being used in American mills for these twines. Notwithstanding, the 1947 prospects indicate a continuing shortage, and difficulties in meeting these requirements will probably continue until Javanese or some other fiber production increases the over-all world production within the reach of demand.

Rope requirements no longer present a serious problem because Philippine abacá is becoming available in quantities sufficient to meet the American demand.

The necessity of adequate and accessible supplies for our maritime, industrial and agricultural economies in both war and peace is clearly recognized. The Strategic and Critical Materials Stockpiling Act was passed by Congress on July 23, 1946, as an amendment to the act of June 7, 1939. Due to the continuing civilian deficiency no fiber has been stockpiled under this authority since the end of the war, but consideration has been given to the various methods by which it may be done; namely, storage of either raw fiber or rope, or the maintenance of certain Western Hemisphere plantations as living sources of supply.

UNITED STATES COTTON-TEXTILE EXPORT POLICY DURING THE WAR PERIOD

by John C. Montgomery

During World War II cotton textiles became one of the items in most critically short supply in the United States. This article summarizes the policy of the United States Government with regard to exports of cotton textiles through the war and immediate postwar periods.

General Cotton-Textile Situation

During the 15 years before the recent war, world cotton-textile imports and exports declined by about two billion yards or about 25 percent. Most of the change took place in Asia where imports into India and China declined by more than half as a result of the expansion of the textile industries of those countries.

One of the most striking developments in the world cotton-textile situation during the prewar period was the decline of British and American exports and the parallel increase in Japanese exports. During the years 1924-28 cotton-textile exports from the United States averaged 529 million square yards, but during the period 1934-38 the average was 234 million yards, which represented a decline of 295 million yards.

The war brought a drastic change in the world cotton-textile situation. Production in the United States had to be enormously expanded to meet the military requirements of the United States and of the Allies. In 1935 production in this country amounted to 6,713 million yards, in 1939 to 8,421 million yards, and in 1943 to 10,700 million yards. Even with this great increase, supplies for direct

military purposes were short, and over-all supplies of cotton textiles were desperately inadequate. The pattern of distribution of the available textiles was completely altered, with a large part of world supplies earmarked for military use. It is estimated that during the war, even in those countries not invaded by the Axis, the quantity of cotton textiles available for civilian purposes declined by 20 to 50 percent of prewar.

The extreme world shortage of cotton textiles which began during the war continued during the postwar years. The temporary elimination of Japanese and German production, which together had furnished 20 percent of the total textile supplies before the war and over 40 percent of the total moving into foreign trade, accounted for much of the world shortage. Another major contributing factor in the postwar textile shortage was the slow rate of recovery of the textile industry in the United Kingdom.

Textile production in ex-enemy countries had dropped to a negligible figure and revived slowly after the war as raw material was made available. The textile industry was hampered, however, by the shortage of fuel and the lack of incentives to

labor, and it was only gradually that a partial revival was possible. Consequently the greatest shortage of cotton textiles occurred in the areas which had previously depended on German or Japanese supplies.

Since the end of the war, progress has been made in the Allied countries toward increasing supplies for civilian consumption both at home and abroad, and reconversion of the textile industry has been partially completed. These gains were offset to some extent, however, by the heavy replacement needs of personnel released from the armed forces.

In the United States, supplies for the domestic market progressively increased during 1946 as military needs declined, until the prewar level was reached in most cotton products. The increase in the civilian supply of cotton textiles was largely offset by the demand for textiles resulting from demobilization. However, the benefits of large American production began to spread over a wider field, and the over-all supply situation was improved not only by the increased output in the chief producing countries, but also by the resumption of ex-enemy production.

At the present time the cotton-textile industry in the United States is producing at the rate of 10,000 million square yards, of which as much as 900 million may be exported during 1947, as contrasted with the average of 234 million yards exported annually a decade ago.

World export supplies at present are roughly estimated to be about 50 percent greater than actual global exports for the year ending in June 1946 but still only 50 percent of the international trade in textiles of 10 years ago. Taken on the whole, active demand in terms of purchasing power is, of course, below that of 10 years ago. Today foreign exchange is rigidly conserved. Also, the use of rayon has cut into the demand for cotton textiles. From a welfare standpoint, world needs are in excess of present world supplies, but an expansion of effective demand awaits a rise in the general purchasing power of importing countries.

International Agreements Affecting Wartime Cotton-Textile Export Policy

Rio de Janeiro Agreement

In 1943 the United States and the United Kingdom entered into an agreement, signed in Rio de Janeiro, which generally divided the responsibility

of those countries in meeting the textile requirements of the non-Axis world. The United Kingdom undertook to supply the Eastern textile market, and the United States made itself responsible for meeting the textile requirements of the Western Hemisphere, as fully as possible within the limited supplies available.

Combined Production and Resources Board and Combined Textile Committee

The Combined Production and Resources Board was established in June 1942 and under it a Textile Committee was organized to correlate the textile-export programs of the exporting Allied countries. Ultimately the members of the committee were: Canada, France, India, the United Kingdom, and the United States. The Textile Committee began functioning in the early part of 1943. Each quarter, commencing with the last quarter of 1943, the committee received production and domestic-requirements data from the member countries and import requirements from importing countries. It then recommended to the respective member countries the distribution of any textiles which could be made available for export.

The final meeting of the Combined Production and Resources Board was held on December 28, 1945, and at that time the establishment of the Combined Textile Committee as a successor to the Textile Committee of the Combined Production and Resources Board was agreed upon. World supply was still far short of requirements, as evidenced by the continued existence of price and allocation controls in all countries which were members of the committee.

The Combined Textile Committee was set up as an autonomous group to recommend to member countries the most equitable possible distribution to importing countries and to insure that member countries did their part in implementing these recommendations. The committee was also to give advice on the distribution of textile exports from ex-enemy countries. This latter responsibility was carried out only in the case of Japanese cotton-textile exports.

The membership of the Combined Textile Committee was the same as that of the earlier Textile Committee of the Combined Production and Resources Board.

During 1946, as the supply situation improved,

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arrangements were made to provide elasticity in the transitional period from war to peace and to provide for the most rapid possible return to unrestricted trade. In line with this policy it was arranged that United States military surpluses should be released for export without prior consultation with the Combined Textile Committee. It was also arranged that the United Kingdom should sell textiles from a free pool of about 30 million yards without reference to the Combined Textile Committee.

Since the functions of the Combined Textile Committee were becoming less vital because of the improved world supply situation, it was decided in June 1946 that, in the future, committee recommendations would be confined to countries in the most urgent need. At the November meeting of the committee, the United States member announced that the United States policy of earmarking part of the over-all cotton-textile production for export would be discontinued on December 31 and stated that this would make it impossible in the future for the United States Government to implement any further recommendations of the committee. Largely as a result of the termination of export set-asides by the United States and improved supply conditions, the Combined Textile Committee was ended on December 31, 1946.

United States Policies on Cotton-Textile Exports

In the early years of the war, with supplies of cotton textiles in the United States becoming inadequate even for military needs, the United States Government adopted increasingly rigid controls over production and distribution. In 1942 a system of export license controls was instituted, for the purpose of limiting and directing the quantities of cotton textiles moving out of this country. During the first stages of license control, licensing was on a fairly generous scale with relatively few restrictions either as to quantities or as to countries of destination.

As the situation developed, the policy of the United States formed along the following lines: First, cotton-textile exports were to be limited as to quantity. Secondly, exports were to be encouraged within the over-all quantitative limitations in order that the United States should meet its obligations for maintaining the civilian economies of the Allies on a minimum basis. In effect,

then, the export limitations were both limits and goals.

In this connection, the United States Government in the middle of 1943 initiated a system of quarterly allocations of cotton textiles. The Board of Economic Warfare was given an allocation for each quarter for those countries which were purchasing textiles in this country through commercial channels. The over-all quota was broken down into country allocations based on minimum requirements, gathered and formulated by the Board of Economic Warfare, against which individual export licenses were charged when approved. The Lend-Lease Administration, which was responsible for supplies for certain countries, also received quarterly allocations. Initially, a preference rating was assigned to most allocations of cotton textiles for export. This was necessary because the developing acute shortage of textiles in this country made it extremely unlikely that manufacturers of textiles would voluntarily sell their limited "free goods" for export.

By the end of 1943, the policy of the United States had definitely become that of assuring textile exports sufficient to meet the export quotas of this country. Since the system of preference ratings which had been followed so far had failed to assure deliveries of textiles for export, a system of export set-asides was established on cotton textiles in December 1943 and was later extended to cotton yarns, rayon yarns, and rayon fabrics. Under this system a certain percentage of the production of each manufacturer, by types of cloth, was earmarked for export during each quarter. The cotton-textiles set-aside was one of the first export set-asides established during the war. It lasted three full years—until the end of December 1946. The set-aside was administered in conjunction with a preference rating on practically all export orders. The export allocations and set-asides were broken down into types of fabrics by the War Production Board, and the total export quota in each class was then broken down by countries of destination by the Foreign Economic Administration.

The export set-aside policy was relatively successful in obtaining goods for export, since the manufacturers generally delivered about 75 percent or more of their established export quotas.

Under the Decentralization Plan—which ap-

plied to most of the Latin American countries, and under a similar import-permit plan used with other countries—the United States Government and the importing countries cooperated in an effort to assure maximum available quantities of scarce commodities as well as optimum distribution under wartime conditions of tight commodity situations and difficult ocean transportation. Under this system, import permits were issued by the importing government, with the cooperation of the American Embassy in the case of countries operating under the Decentralization Plan, in quantities at least theoretically equal to the quarterly allocations announced to the importing governments by the United States authorities. The authorities in the United States would then, in the instance of specified countries and commodities, issue licenses only when the applications were accompanied by the necessary import licenses, already issued by the country of final destination. In effect, then, during this period of import-export licensing agreements, the government of the importing country, rather than the United States licensing authorities, determined the trade channels at the export end and little discretion was left to the United States licensing authorities in distributing textile-export quotas among United States exporters.

Cuba and Mexico were the outstanding exceptions. Neither country employed import permits for cotton fabrics. Instead, the United States based its distribution of export licenses within the quotas upon the historical trade pattern of three prewar years.

In many countries and particularly from the standpoint of the United States authorities, the import-permit system worked out very badly in practice, because most of the governments of importing countries, under pressure from their traders, issued permits far in excess of the announced quotas. This was especially true of fabrics most in demand, such as print cloth. Those American exporters who considered the existence of an import permit as a guaranty of receiving an export license were often disappointed, and the United States licensing authorities were periodically faced with the problem of carrying over from quarter to quarter an excessive backlog of export-license applications accompanied by valid import permits. The necessity forced upon the United

States Government for delaying or reducing approval of such applications caused considerable dissatisfaction among the export trade as well as the importers.

The Decentralization Plan, which had applied to the countries of Latin America, was formally terminated by the United States on October 1, 1945, and in the ensuing months the import-permit system with other than Latin American countries was gradually abandoned. The United States licensing authorities were consequently obliged to develop a new technique for determining the distribution of export licenses for allocated commodities. In the case of most commodities, including cotton textiles, it was decided to base the issuance of export licenses primarily upon the historical shipping position of the individual exporter of cotton textiles to a particular country. An effort was made to use the most representative base period in the case of each country. Usually, 1939 to 1946 was the official base period, and from these years sample quarters were selected from which to draw the required export data. About 80 percent of the cotton-textile quotas usually was distributed to the traditional exporters, the balance being reserved for veterans, newcomers, and producers without a historical record in the export business.

Every producer was required to deliver 6 to 10 percent, on the average, of his output for export through the end of 1945. Many of them, either looking to the future possibility of surplus production or else determined to make the most of a temporarily difficult situation of wartime controls, decided to export directly as much of their required export set-asides as they could receive licenses for (which was never over 50 percent). This rather important development was a manifestation of the trend toward vertical integration which was then occurring in the entire textile industry. It is interesting to notice that some of the largest manufacturers in the country established their own export departments and embarked upon an apparently serious long-term export plan. Others have discontinued exporting directly on their own account since the termination of the export set-asides.

One of the major problems in exporting cotton textiles during the war was pricing. The Office of Price Administration, endeavoring merely to freeze the normal export margins, allowed manu-

facturing exporters a markup of 7 percent over domestic ceilings and merchant exporters a markup of 25 percent. The stated intention of the Office of Price Administration was merely to compensate the exporter for added selling costs and added risks in making export sales as compared with domestic. The trade generally agreed that 25 percent was higher than necessary and many of the larger export houses habitually marked their prices up only 10, 12, or 15 percent.

Under the criteria established by the Office of Price Administration for specifying conditions under which the export markup might be charged, the United States Government and foreign supply missions were at a serious disadvantage, compared with commercial exporters, in buying cotton textiles for export. At best, most mills were reluctant to sell goods for export, during the wartime scarcity, when they could not keep their regular customers even partially satisfied. Because deliveries fell short of export quotas, mills—unless they had export departments—almost invariably had commercial exporters to whom they preferred to sell rather than to missions or other government agencies. On this account purchasers for governments, buying at the same prices, were always far short of their procurement programs which had been approved under the export quotas.

The problem of Treasury Procurement, which was charged with buying all cotton goods under non-military lend-lease and also for the Office of Foreign Relief and Rehabilitation Operations (later UNRRA), was exceedingly difficult. It was finally alleviated—but never solved—by establishing a separate export set-aside specifically requiring each producer to deliver a specified percentage of his production each quarter to Treasury Procurement. A similar earmarking of part of American textile production was made at about the same time for Canada. Treasury Procurement continued to have an incredible backlog of unprocured requisitions, legitimately issued under the export quotas with export ratings, which sometimes reached a level of 100 million yards. The separate set-asides were helpful, but in the months following the termination of lend-lease most of the backlog was wiped out by straight cancellation or by transfer to mission procurement.

The foreign missions continued to face very

strong reluctance on the part of producers and converters to sell to them at domestic ceilings. Some individual exceptions were made by the Office of Price Administration to permit export premiums in the case of government-mission purchasing, and in other cases adjustments to the letter of the Office of Price Administration's regulations were made which permitted payment of the export premium for purchases made actually by foreign missions.

As stated earlier, United States supplies increased during 1946 until the prewar level was reached in most lines. Regulation of cloth and garment production was relaxed, and toward the end of 1946 the prices of textiles were decontrolled. Quantitative set-asides for export were completely abandoned at the end of the year. In January 1947 an over-all ceiling limit for export of a fairly generous character was established by the Civilian Production Administration, and this was broken down by the Office of International Trade in the Department of Commerce into a separate allocation for each group of countries. No preference ratings were provided since goods were available rather readily for export without procurement assistance of any kind. The consolidated license system which was established on July 1, 1946, authorized exportation to areas rather than to individual countries, and gave wider discretion to an exporter in selecting his customer both as to country of destination and as to individual consignee. Controls were exercised after July 1, 1946, only over the single category "cotton piece goods", and licenses were no longer issued by individual fabric types. Thus the controls in the first quarter of 1947 were of a very broad character, intended mainly to limit the total quantity of goods exported and to provide a minimum degree of direction as to the destination of the textiles.

In view of the constantly improving supply situation in the United States, export controls were removed on March 15, 1947. An additional factor in the decision to terminate controls was the plan of the United States Commercial Company to commence unrestricted offerings of Japanese and German cotton textiles, which might have placed United States exports under a competitive disadvantage with goods from these ex-enemy sources if export restrictions on commercial transactions were continued.

U.N. Committee on the Progressive Development of International Law and Its Codification

REPORT OF THE U.S. REPRESENTATIVE¹

I. Composition of the Committee

The United Nations Committee on the Progressive Development of International Law and its Codification, hereinafter referred to as the Committee, was established by Resolution no. 94 (1), unanimously adopted by the General Assembly on December 11, 1946. On the same date, the General Assembly, on the recommendation of the President, appointed the following states to serve on the Committee:

Argentina, Australia, Brazil, China, Colombia, Egypt, France, India, Netherlands, Panama, Poland, Sweden, Union of Soviet Socialist Republics, United Kingdom, United States of America, Venezuela and Yugoslavia.

II. Delegation of the United States

The Delegation of the United States to the Committee consisted of Professor Philip C. Jessup, Representative, and Dr. John Maktos, Adviser.

III. Tasks of the Committee

The above-mentioned resolution directed the Committee to study:

"(a) The methods by which the General Assembly should encourage the progressive development of international law and its eventual codification;

(b) Methods of securing the co-operation of the several organs of the United Nations to this end;

(c) Methods of enlisting the assistance of such national or international bodies as might aid in the attainment of this objective;

and to report to the General Assembly at its next regular session."

By General Assembly Resolution no. 95 (1) of December 11, 1946, the Committee was requested:

July 20, 1947

"To treat as a matter of primary importance plans for the formulation, in the context of a general codification of offences against the peace and security of mankind, or of an International Criminal Code, of the principles recognized in the Charter of the Nürnberg Tribunal and in the judgment of the Tribunal."

By another resolution of the General Assembly of December 11, 1946, no. 38 (1), the Draft Declaration on the Rights and Duties of States presented by Panama to the Second Part of the First Session of the General Assembly (Doc. A/285) was referred to the Committee for a report to the General Assembly.

The final task of the Committee resulted from a letter from the Secretary-General transmitted to the Committee pursuant to a resolution of the Economic and Social Council of March 28, 1947. The resolution instructed the Secretary-General to undertake the necessary studies with a view to drawing up a draft convention on genocide and to consult the Committee in regard thereto.

IV. Organization of the Work of the Committee

The first meeting of the Committee was held on March 12, 1947, at Lake Success. Sir Dalip Singh, Representative for India, was elected chairman of the Committee. Dr. Antonio Rocha, Representative for Colombia, and Professor Vladimir Koretsky, Representative for USSR were chosen vice chairmen. Professor J. L. Brierly, Representative for the United Kingdom, was elected rapporteur. Dr. Yuen-li Liang, Director for the Secretariat Division of Development and Codification of International Law, acted as secretary to the Committee.

¹ U.N. doc. US/A/AC.10/4, June 19, 1947. The U.S. Representative is Philip C. Jessup.

The Committee held thirty meetings, the last one on June 17, 1947. Its final reports are: Document A/AC.10/51 (Codification of International Law); document A/AC.10/52 (Nuremberg Principles); and document A/AC.10/53 (Rights and Duties of States).

At its first meeting the Committee adopted the provisional agenda drawn up by the Secretariat (Doc. A/AC.10/1) and agreed to begin with the item relating to the methods by which the General Assembly should encourage the progressive development of international law and its eventual codification.

V. Method for Encouraging Development and Codification of International Law

A. INTERNATIONAL LAW COMMISSION (ILC)

1. *Single commission.* The Committee agreed that, in order to carry out the progressive development of international law and its eventual codification, the General Assembly should establish a single commission composed of persons of recognized competence in international law.

The Committee agreed also that the ILC should deal not only with public international law but with private international law as well as penal international law. Certain delegations had taken the position that more than one commission was needed. Separate commissions for public, for private, and for penal international law were proposed. Other suggestions related to the desirability of having one commission for the development of international law and another for codification. The United States Representative pointed out that, while different procedures might be utilized for codification and for development, the task should be undertaken by a single commission. Separate commissions would render the work unnecessarily complex.

The Committee agreed that the Commission should be called the International Law Commission, hereinafter referred to as the ILC.

2. *Number of members.* The United States proposed that the ILC should be composed of nine persons. The United Kingdom proposed seven. Several delegations advocated a larger number in order that more systems of law should have an opportunity to be represented.

The Committee first decided to limit the number of members of the ILC to nine. Subsequently, however, during discussion of the rapporteur's re-

port, the Committee reconsidered this decision, and by a vote of 9 to 5, increased the number to fifteen.

The United States Representative argued that a Commission of nine members could work more effectively; that it would be more economical; and that nine members were sufficient to secure a representation of the principal systems of law and of civilization. He pointed out in answer to arguments in the debate, that the number of judges on the Permanent Court of International Justice had originally been fixed at eleven with four deputy judges and that the regular bench had been increased to fifteen, not because of any decision that there are fifteen systems of law which require representation but to facilitate the obtaining of the necessary quorum of the Court.

3. *Method of election.* In regard to the method of election of the members of the ILC, a large majority of the Committee preferred, and the Committee adopted, the plan which, with some slight modification, is prescribed by the Statute of the International Court of Justice for the election of the judges of the Court. The recommendation of the Committee is in accord with the position taken by the United States.

One delegation advocated a procedure whereby the members of ILC would have been chosen by the judges of the Court, while another delegation advanced an intermediate thesis whereby the President of the Court, after consultation with his fellow judges, would have selected twenty names from the panel of names nominated by governments. Under this plan, the Sixth Committee of the General Assembly would have nominated from these twenty the fifteen members of the ILC and the General Assembly would have proceeded to their election.

The proposal for election by the Court was inspired by the belief that under this plan the membership of the ILC would be more likely to represent the best expert talent of the world and that political appointments would be minimized.

The procedure recommended by the Committee was advocated by the United States Representative and by other members of the Committee on the ground that it would contribute to the prestige and importance of the position. It was argued that it was desirable to draw governments into the process of nomination and election in order that the work of the ILC might be

brought to public attention, a result which might not be secured if the election were made by the Court.

The Committee recommended the following procedure for nominating and election:

Each member of the United Nations should nominate, as candidates for membership of the ILC, not more than two of its nationals and not more than eight persons of other nationalities. In making their nominations the governments are recommended to consult their highest courts of justice, their legal faculties and schools of law, their national academies and national sections of international academies devoted to the study of law and, where such exist, the national groups in the Permanent Court of Arbitration.

The provision for nomination of eight non-nationals was inspired by the belief that many states would thus be encouraged to nominate their best jurists with a view to having them nominated also by other governments. The provision regarding consultation was based on Article 6 of the Statute of the International Court of Justice.

According to the Committee's recommendation, the Secretary-General of the United Nations should submit this panel of candidates to the General Assembly and the Security Council, which would elect fifteen persons in accordance with the principle laid down in Article 3 and the procedure contained in Articles 8-12 of the Statute of the International Court of Justice.

With respect to the method of filling vacancies, the Committee decided by a majority that the ILC itself might nominate a certain number of persons from among those whose names were on the panel of candidates, and that the Security Council might choose from the nominees a member of the Commission to hold office until the next General Assembly when the vacancy would be filled by the same method as that laid down for the election of the original members of the ILC.

In connection with the election of the members of the ILC, the United States Representative, in order to render possible the election of members of the ILC before the adjournment of the Second Session of the General Assembly submitted a proposal on the basis of which the Committee requested the Secretary-General.

(a) to transmit its report to the members of the United Nations at the earliest possible moment;

(b) to call to their special attention that part of the report which contains the proposals for the nomination and election of the members of the ILC and to the possibility that the election might take place before the adjournment of the Second Session of the General Assembly, if the General Assembly accepts the recommendation to establish the ILC.

4. *Duration of the ILC.* While the Committee expressed the hope that the ILC might be a permanent body, it also felt that it might be desirable, in the first instance, to establish it on a provisional basis. It therefore recommended that the members of the ILC be elected for a term of three years, but that they be eligible for reelection if the ILC is continued after this period.

5. *Full-time service of members.* The recommendation that the members of the ILC should be required to render full-time service was warmly debated in the Committee. By a vote of 9 to 5 the Committee thought that this would be necessary. Several representatives thought that it would be more difficult to secure the best men on this basis. The Representative of the United States argued that the best men would be more available if asked to serve full-time for a reasonably long term (three years) than if asked to devote several months each year to this work. The United States position was also based on the magnitude and importance of the tasks upon which the ILC is to engage.

6. *Salaries.* All the members of the Committee agreed that the salary of the members of the ILC should be proportionate to the dignity and importance of their office.

The Budget of the ILC should include items for the salaries of members, travel expenses, for meetings, etc. It was agreed that "etc." would include all expenditures that may arise as a result of subsequent decisions of ILC.

7. *Seat.* The Committee agreed that the seat of the ILC should be at Lake Success, where the headquarters of the United Nations are established. It was pointed out by the Secretariat that any other decision would result in additional heavy expense.

It was agreed, however, that the ILC might de-

cide from time to time to hold its sessions at other places.

8. *Staff.* The Committee recommended that the Secretary-General should be requested to make available to the ILC the services of the Division of Development and Codification of International Law.

9. *Procedures for the "Progressive Development of International Law" and the "Codification of International Law."* In order to expedite and facilitate the work of the General Assembly and of its Sixth Committee (Legal), the United States Representative made the following proposal: The General Assembly might constitute annually a special Committee, composed of representatives of states to be selected in the same manner as that which was utilized in the appointment of the Codification Committee. This special Committee might meet somewhat in advance of the opening of the General Assembly session. The General Assembly would recommend to the states represented in this special Committee that they appoint as representatives the individuals whom they wish subsequently to designate as their members of the Sixth Committee. The function of the special Committee would be to study the reports and recommendations of the ILC and to consider what recommendations should be made regarding the reference of projects or draft conventions to the ILC. If the states concerned acted in accordance with the recommendation of the General Assembly regarding the choice of personnel, the Sixth Committee might be inclined to designate the same group as its subcommittee on this subject.

This useful proposal was defeated by the very close vote of 8 to 7 with two states abstaining.

In its recommendations regarding procedure of the work of the ILC, the Committee drew a distinction between (a) progressive development of international law and (b) codification of international law. The ILC might have the task of drafting a convention on a subject not yet regulated by international law or in which the law has not yet been highly developed or formulated in the practice of states. On the other hand, the ILC might have another task, the formulation and systematic arrangement of law in areas where there has been extensive state practice, precedent and doctrine. For purposes of the following procedures the Committee, by a majority vote, referred

to the first type of task as "progressive development" and to the second type as "codification". It was realized that the terms employed are not mutually exclusive, that a clear-cut distinction between the law as it is and the law as it ought to be could not be maintained in practice. It was pointed out that codification inevitably has to fill in gaps and amend the law in the light of changing conditions.

Some delegations expressed the view that all the work of the ILC should take the form of draft multipartite conventions which would bind no state unless it ratified the convention. The use of the term "international legislation" as a synonym for "multipartite conventions" was strongly objected to by some delegations. The United States Representative agreed that in connection with the regulation of new subjects or of subjects in regard to which the law has not yet been highly developed the only possible procedure for the development of international law is through the ratification of multipartite conventions. However, he pointed out that for work in the field of codification as distinguished from development of international law a different procedure was desirable. While the opposition to scientific restatements of law by the delegations advocating conventions as the only means was quite strong, most of the proposals of the United States which drew a distinction between procedure for development of international law and procedure for codification were accepted. (Doc. A/AC.10/33 introduced jointly with the Representative for China).

As a compromise, the United States Representative agreed that in connection with codification of international law, ILC should frame its conclusions in the form of draft articles of multipartite conventions. He secured, however, the Committee's approval of a detailed procedure which preserves much of the scientific value of the restatement process. Furthermore, the Committee agreed that for work in the field of codification, the results of the studies of the ILC might be either (a) allowed to rest in the form of a published volume which would have whatever influence its quality warranted, (b) might be adopted in whole or in part by a resolution of the General Assembly, or (c) embodied in a multipartite convention to be submitted to the states for ratification.

In connection with procedure, the question whether the ILC should be free to go outside its own membership in the choice of a rapporteur gave rise to a warm debate. The decision giving such freedom to the ILC in connection with development of international law was approved by a vote of 8 to 7. In voting in favor of this decision, the United States Representative expressed the view that the ILC might find it necessary to go outside its membership to secure the services of expert rapporteurs in the many fields of international law in which it would have to deal. One of the main arguments of the opponents of this view was that Article 22 of the Rules of Procedure of the General Assembly required the rapporteur of a Committee to be a member thereof. It was pointed out, however, that Article 22 did not envisage a rapporteur of a Committee such as the ILC because its rapporteur would not have the role of the rapporteur of a committee of the General Assembly. In connection, however, with the codification of international law, the Committee by a close vote eliminated from its proposals any reference to the choice of a rapporteur from outside its membership.

A majority of the Committee decided to recommend that the ILC should be authorized to consider projects and draft conventions recommended by governments, other United Nations organs, specialized agencies and those official bodies established by intergovernmental agreement to further the progressive development of international law and its codification. However, certain delegations desired to limit the authority of the ILC to projects submitted only by the General Assembly, although it was generally recognized that the Economic and Social Council possessed the initiative in proposing conventions. The decision was based largely on a proposal by the United States Representative (Doc. A/AC.10/33, introduced jointly with the Representative for China).

10. *Special methods of encouraging development of international law.* The majority of the Committee decided to recommend that the ILC should consider the absence of uniformity in the drafting of the formal clauses of multipartite conventions and the ways and means of bringing about improvements in the technique of drafting such instruments, with a view to making ultimate recommendations to the General Assembly. It was pointed out that absence of uniformity sometimes

leads to unnecessary delays in the conclusion of multipartite conventions as well as creates certain difficulties of interpretation afterwards.

Another matter considered by the Committee was the encouragement of ratification of multipartite conventions already concluded. A majority of the Committee desired that the ILC should consider this matter with a view to ultimate recommendation to the General Assembly. The Committee also recommended that the ILC consider ways and means for making evidences of customary international law more readily available by the compilation of digests of state practice, and by the collection and publication of the decisions of national and international courts on international law questions.

B. COOPERATION OF THE UNITED NATIONS ORGANS

With respect to the request of the General Assembly that the Committee study methods of securing the cooperation of the several organs of the United Nations in the task of the development and codification of international law, the Committee recommended:

(a) that the ILC should be authorized to consult with such organs.

(b) that in projects referred to it by an organ of the United Nations, the ILC should be authorized to make an interim report to the organ concerned prior to submitting its final report to the General Assembly. This resolution was carried by a majority of the Committee. A minority of the members dissented from it on the ground that, in their view, it would not be in accordance with the provisions of the United Nations Charter for any organ of the United Nations other than the General Assembly to refer a project to the ILC. Two members of this minority would add "or the Economic and Social Council under the authority of the General Assembly" at this point.

(c) that all ILC documents which are circulated to governments should also be circulated to the organs of the United Nations.

C. ASSISTANCE OF NATIONAL OR INTERNATIONAL BODIES

The General Assembly resolution of December 11, 1946 directed the Committee to study also methods of enlisting the assistance of such national or international bodies as might aid in the

attainment of its objective. With respect to this point, the Committee recommended:

(a) that the ILC should be authorized to consult such bodies, official or unofficial. A minority of the Committee was of the opinion that the consultation should be limited to organizations included in the list referred to in the sub-paragraph following.

(b) that, for the purpose of distribution of ILC documents, the Secretary-General, after consultation with the ILC, should draw up a list of national and international organizations dealing with questions of international law.

It was also decided that, in connection with the consultation and in making up such a list, the Secretary-General should take into account the resolutions of the General Assembly and of the Economic and Social Council concerning relations with Franco-Spain and that organizations which collaborated with the Nazis and Fascists should be excluded both from consultation and the list.

The Committee recommended that the ILC should be free to consult, if desired, with scientific and professional institutions. While some delegations objected to consultation with individual experts, the Committee decided in favor of such consultation.

It should be noted that the above-mentioned list of organizations which is to be prepared by the Secretary-General is only for the purpose of distribution of ILC documents. One of the Committee's recommendations regarding procedure was that, when the ILC considers a draft to be in satisfactory form, it should be published by the Secretariat as an ILC document with such explanation and supporting material as the ILC considers appropriate. This draft is to be given the widest possible publicity and any organization would be free to submit such comments and observations as it may deem desirable.

By a majority the Committee decided to refer specially to the desirability of consultation between the ILC and the Pan American Union, without, however, disregarding the claims of other systems of law.

VI. Plans for the Formulation of the Principles Recognized in the Charter of the Nuremberg Tribunal and in the Judgment of the Tribunal

As pointed out at the beginning of this report another task of the Committee resulted from a

General Assembly resolution of December 11, 1946 directing this Committee to "treat as a matter of primary importance plans for the formulation, in the context of a general codification of offences against the peace and security of mankind, or of an International Criminal Code, of the principles recognized in the Charter of the Nuremberg Tribunal and in the judgment of the Tribunal."

By a majority the Committee decided not to undertake the actual formulation of the Nuremberg principles which would clearly be a task demanding careful and prolonged study. It recommended unanimously that the ILC should be invited to prepare:

(a) a draft convention incorporating the Nuremberg principles and

(b) a detailed draft plan of general codification of offences against the peace and security of mankind in such a manner that the plan should clearly indicate the place to be accorded to the Nuremberg principles. The Committee further expressed its opinion that this task would not preclude the ILC from drafting in due course a code of international penal law.

By a majority the Committee decided to draw the attention of the General Assembly to the fact that the implementation of the Nuremberg principles and of other international criminal law may render desirable the existence of an international judicial authority. The Representatives for Egypt, Poland, the United Kingdom, USSR and Yugoslavia desired to have their dissent from this part of the decision recorded. In their opinion, the question of establishing an international criminal court falls outside the terms of reference from the General Assembly to the Committee.

VII. Draft Declaration on the Rights and Duties of States Presented by Panama

By a resolution of December 11, 1946, the General Assembly instructed the Secretary-General to transmit to members of the United Nations and to national and international bodies concerned with international law the text of the draft Declaration on the Rights and Duties of States presented by Panama (Doc. A/285) with a request that they should submit their comments and observations to the Secretary-General before June

1, 1947. This resolution also referred the Declaration to the Committee and requested the Secretary-General to transmit to it the comments and observations of the governments as they were received and to request the Committee to report thereon to the second regular session of the General Assembly. The Committee noted that a very limited number of comments and observations from members of the United Nations (6) and national and international nongovernmental bodies (3) had been received. It noted also that the majority of these comments recommended postponement of the study of the substance of this question. The Committee, therefore, recommended that:

- (a) The General Assembly entrust further studies concerning this subject to the ILC.
- (b) that the ILC should take the draft Declaration on the Rights and Duties of States presented by Panama as one of the bases of study.

VIII. Genocide

Under cover of a letter of June 10, 1947 from the Acting Secretary-General, the Committee received the text of the draft convention for the prevention and punishment of the crime of genocide, (Doc. A/AC.10/42) drawn up by the Secretariat, with the assistance of experts in the field of interna-

tional and criminal law, in accordance with the resolution of the Economic and Social Council of 28 March 1947.

The Committee took notice of the resolution of the Economic and Social Council of March 28, 1947 which instructed the Secretary-General "after consultation with the General Assembly Committee on the Development and Codification of International Law and if feasible the Commission on Human Rights and after reference to all Member Governments for comments, to submit to the next session of the Economic and Social Council a draft convention on the crime of Genocide."

The Committee was informed that the next session of the Economic and Social Council was scheduled to be held on July 16, 1947. In replying to the above-mentioned communication from the Acting Secretary-General, the Committee noted "that the text prepared by the Secretariat, owing to lack of time, has not yet been referred to the Member Governments of the United Nations for their comments, as is contemplated in the Resolution of the Economic and Social Council, and it regrets that, owing to the absence of information as to the views of the governments, it feels unable at present to express any opinion in the matter."

Current United Nations Documents: A Selected Bibliography

There will be listed periodically in the *BULLETIN* a selection of United Nations documents which may be of interest to readers.

Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

General Assembly

Committee on the Progressive Development of International Law and Its Codification. Draft Convention for the Prevention and Punishment of Genocide. (Prepared by the Secretariat.) A/AC.10/42/Rev.1. 9 pp. mimeo.

— Report of the Committee. Item 4 of the Agenda (A/AC.10/1). A/AC.10/46/Corr.1, June 16, 1947. 2 pp. mimeo.

— Proposal Submitted by the Representative of the United States in Connection With the Election of

the Members of the International Law Commission. A/AC.10/48, June 13, 1947. 1 p. mimeo.

— Report of the Rapporteur, Professor J. L. Brierly, on Item 3 of the Agenda. (A/AC.10/1). A/AC.10/50, June 13, 1947. 13 pp. mimeo.

— Report of the Committee on the Methods for Encouraging the Progressive Development of International Law and Its Eventual Codification. A/AC.10/51, June 17, 1947. 13 pp. mimeo.

— Report of the Committee on the Plans for the Formulation of the Principles of the Nuremberg Charter and Judgment. A/AC.10/52, June 17, 1947. 2 pp. mimeo.

Sixth Committee. Check List of Documents of the Sixth Committee (Legal Committee) and Its Sub-Committees, and the Negotiating Committee on Headquarters, First Session of the General Assembly, 1946. Prepared by the Documents Index Unit. A/C.6/132, June 25, 1947. 31 pp. mimeo.

Trusteeship Council

Resolutions Adopted by the Trusteeship Council During Its First Session From 26 March to 28 April 1947. T/43, June 19, 1947. 9 pp. printed. [10 cents.]

Negotiations in Security Council on Trusteeship of Pacific Islands¹

President Truman announced on November 6, 1946, that "The United States is prepared to place under trusteeship, with the United States as the administering authority, the Japanese Mandated Islands and any Japanese islands for which it assumes responsibilities as a result of the second World War." A draft strategic trusteeship agreement was developed after long and careful inter-departmental consultations. Its provisions were a synthesis of State, War, and Navy Department views. It contained the terms whereby the United States was prepared to place within the trusteeship system of the United Nations the former mandated Marianas, Caroline, and Marshall Islands which are now administered under United States military government. Copies of the draft agreement were transmitted for information to the other members of the Security Council (Australia, Brazil, China, Egypt, France, Mexico, the Netherlands, Poland, the Union of Soviet Socialist Republics, and the United Kingdom) and to New Zealand and the Republic of the Philippines and were later transmitted to the newly elected members of the Security Council (Belgium, Colombia, and Syria).

On February 17, 1947, the text of the draft trusteeship agreement was submitted by the United States Representative at the Seat of the United Nations, Warren R. Austin, to the Secre-

tary-General with a request that the matter be placed on the agenda of the Security Council at an early date. The United States submitted the draft trusteeship agreement for approval by the Security Council rather than by the General Assembly, because under its terms the territory is designated as strategic. This is in accordance with article 82 of the Charter which provides that "There may be designated, in any trusteeship agreement, a strategic area or areas which may include part or all of the trust territory . . .", and article 83 which states that "All functions of the United Nations relating to strategic areas, including the approval of the terms of the trusteeship agreements . . . shall be exercised by the Security Council."

Mr. Austin formally submitted the United States draft trusteeship agreement to the Security Council on February 26, 1947.² At that time he submitted to the Security Council a paper containing the text of the draft agreement with article-by-article explanatory comments.³ The Security Council began consideration of the draft trusteeship agreement on March 7, 1947, and discussions on the question were continued at four later meetings held on March 12, 17, and 28, and April 2, 1947. During the course of the debates⁴ the Governments of New Zealand and India requested, under article 31 of the Charter, that they participate in the discussions. The New Zealand Government also requested that those members of the Far Eastern Commission not represented in the Security Council be invited to participate, if they so desired, in the discussions. The Security Council accordingly invited Canada, India, the Netherlands, New Zealand, and the Republic of the Philippines to be represented at subsequent discussions on the United States trusteeship agreement. The views of all of those states were heard at the Council's table.

During a long session on April 2, 1947, the Security Council reconsidered the entire agreement article by article. In voting on proposed amendments, the United States Representative followed

¹ Memorandum accompanying Trusteeship Agreement submitted to the Congress for approval on July 3, 1947. For the President's letter of transmittal see BULLETIN of July 13, p. 74.

² For complete statement by Ambassador Austin see BULLETIN of Mar. 9, 1947, pp. 416-419.

³ See BULLETIN of Mar. 9, 1947, pp. 420-423, for the explanatory comments on each article of the agreement. For the text of the agreement as approved by the Security Council on Apr. 2, 1947, see BULLETIN of May 4, 1947, pp. 791-792, 794.

⁴ Verbatim records of the Security Council discussions on the United States draft trusteeship agreement for the former Japanese Mandated Islands are contained in the following United Nations documents: S/P.V. 113, Feb. 26, 1947; S/P.V. 116, Mar. 7, 1947; S/P.V. 118, Mar. 12, 1947; S/P.V. 119, Mar. 17, 1947; S/P.V. 123, Mar. 28, 1947; S/P.V. 124, Apr. 2, 1947.

the rule of casting a vote when the United States vote would be in the affirmative, and abstaining from voting in cases wherein the United States did not favor the proposal before the Council. Thus, he abstained from voting on proposals to revise article 8(1) and article 15. Prior to the voting on each of these articles, the United States Representative declared that the United States would not veto the amendment. In advance of his first abstention, he stated that, "On questions such as this, it is perfectly clear—to us anyway—that the United States, where it may be obliged in view of its responsibilities to withdraw the tender of an agreement, should certainly not exercise a veto in the Security Council also". Prior to his second abstention he said, "The United States being a party to the agreement, all I can do is, with the utmost modesty, state that an amendment in the nature of that proposed . . . probably could not be accepted by the United States as a party to the agreement". At the close of the session, the Security Council approved unanimously the United States draft agreement as a whole including three minor revisions which were accepted by the United States Representative with the consent of the United States Government. The three amendments are as follows:

Article 3. An amendment proposed by the Representative of the Union of Soviet Socialist Republics to delete the words "as an integral part of the United States". Upon accepting this amendment at the 116th meeting of the Security Council, the United States Representative said *inter alia*: "In agreeing to this modification, my Government feels that it should affirm for the record that its authority in the trust territory is not to be considered in any way lessened thereby."

Article 6(1). An amendment proposed by the Representative of the Union of Soviet Socialist Republics and revised in the Council, to add after the words "toward self-government," the words "or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned,". In accepting modification in article 6(1) at the 116th meeting of the Security Council, the United States Representative declared that "the United States feels that it must record its opposition not to the principle of independence, to which no people could be more con-

secrated than the people of the United States, but to the thought that it could possibly be achieved within any foreseeable future in this case."

Article 6(1). An amendment suggested by the Representatives of New Zealand and India and introduced on behalf of the latter at the 124th meeting of the Security Council, to delete the word "local" from the phrase "in local government;". The observation of the Representative of India at the 124th meeting in behalf of this deletion was that in certain countries the word "local" connotes municipal government, and that surely would not be the intention of the Representative of the United States.

In the final consideration of the United States trusteeship proposals, the original text of articles 1, 2, 4, 5, 9, 10, 11, 12, 14, and 19 was approved in each case without objection or comment. The American Representative, Mr. Austin, requested that article 7 be perfected as follows:

In discharging its obligations under Article 76(c), of the Charter, the administering authority shall guarantee to the inhabitants of the trust territory freedom of conscience, and, subject only to the requirements of public order and security, freedom of speech, of the press, and of assembly; freedom of worship, and of religious teaching; and freedom of migration and movement."

Mr. Austin stated: "The significance of this perfection of the article is that it moves up freedom of conscience so that it will not be subject to the requirements of public order and security." The approval of the trusteeship agreement with the three minor amendments and this slight change followed the withdrawal or rejection of several other proposed amendments as follows:

Preamble. Discussions on the preamble concerned three alternative versions—suggested by Poland, the Netherlands, and the United States—of an amendment proposed originally by the Representative of Poland at the 116th meeting of the Security Council. This proposal was to add the following phrase to paragraph four: "Whereas Japan has violated the terms of the above-mentioned mandate of the League of Nations and has thus forfeited her mandate . . .". The United States Representative endorsed this proposal, but the amendment was reconsidered at the 124th meeting. The Netherlands Representative

* BULLETIN of May 4, 1947, p. 789.

proposed that the amendment read: "Whereas, as a result of the signature by Japan of an act of unconditional surrender, the mandate held by Japan for these islands has come to an end." As a compromise, the United States Representative proposed the following wording: "Whereas the mandate, held by Japan for these Islands has come to an end." After failure to reach agreement on these alternative proposals, the original wording of the preamble was approved unanimously.

Article 8(1). The United Kingdom Representative proposed an amendment to article 8(1) to delete the phrase "except the administering authority", holding that the inclusion of those words would give preferential position to the United States which did not seem to be in strict accordance with articles 83(2) and 76(d) of the Charter. He asked whether that phrase in article 83(3) "without prejudice to security considerations" would not really give the United States sufficient safeguard. After replying to this question in the negative, the American Representative stated for the record: "... the United States Government has no intention, through this clause or any other clause, of taking advantage for its own benefit, and to the detriment of the welfare of the inhabitants, of the meager and almost non-existent resources and commercial opportunities that exist in the scattered and barren islands. The nature of this proposed clause is dictated by the fact that these islands are proposed as a strategic trusteeship area and by the obligations which the administering authority will assume under the Charter 'to further international peace and security' and to insure that the territory itself 'shall play its part' in the maintenance of international peace and security."

Article 13. The United Kingdom Representative proposed a redraft of article 13 to read:

The provisions of Articles 87 and 88 of the Charter shall be applicable to the trust territory, provided that the administering authority may at any time inform the Security Council, in accordance with Article 83(3) of the Charter, that security considerations do not permit the exercise of the functions of the Trusteeship Council in regard to specific areas.

He did not insist on this amendment, however, because the United States Representative stated for the record that the United States contemplates that notification shall be made to the Security

Council whenever the proviso that is contained in article 13 comes into use.

Article 15. Extended debate took place before reaching agreement on article 15. Two formal amendments to this article were presented by the Representatives of Poland and the Union of Soviet Socialist Republics. The Soviet amendment was to make article 15 read as follows: "The terms of the present agreement may be altered and amended or the terms of its validity discontinued by decision of the Security Council." The Polish amendment was to modify article 15 to read: "The terms of the present agreement shall not be altered, amended or terminated except as provided by the Charter." The United States indicated a willingness to accept the following text as a compromise: "The terms of the present agreement shall not be altered, amended, or terminated except by agreement of the administering authority and the Security Council." The rejection of the Soviet and Polish amendments was followed by the acceptance of the original wording of article 15.

Proposed Article 17. An issue debated at length in the Security Council was embodied in an amendment proposed by Australia to add an article 17 to the agreement which would have delayed its coming into force until the effective date of the peace treaty with Japan. The view thus expressed was supported by the United Kingdom and by New Zealand. The United States Representative argued most forcefully against this proposal which would have left the agreement in suspense for an indefinite period. As a basic contention of the United States Government, he emphasized throughout the debates that the matter did not depend upon, and need not await, the general peace settlement with Japan. Following this widening of the Council's discussions to include representatives of Canada, India, the Netherlands, and the Republic of the Philippines for the purpose of stating their views on the United States trusteeship proposals, the Australian Representative withdrew his proposal.

According to article 16 of the agreement, the Security Council having approved its terms of trusteeship, only the approval by the United States in accordance with its constitutional process is now required to bring the trusteeship agreement for the Territory of the Pacific Islands into force.

Benefits of Membership in the World Health Organization

STATEMENT BY DURWARD V. SANDIFER¹

I appreciate the opportunity which your Committee has given to a representative of the Department of State to appear before you for the purpose of supporting S. J. Res. 98 to provide for United States membership in the World Health Organization.

The provisions of the bill may be briefly stated: (1) it authorizes the President to accept the constitution of the World Health Organization on behalf of the United States; (2) it authorizes the appointment of representatives to attend meetings of the constituent bodies of the organization; and (3) it authorizes appropriations for United States participation in the organization.

I think you will agree with me that this country should be an active member of an organization which is designed to further cooperation among nations to their mutual advantage in helping to solve public-health problems which no nation can adequately handle by itself. As you will recall, in December 1945 the Senate unanimously adopted a joint resolution to urge the early establishment of an international health organization. This bill is, therefore, a means of giving effect to the purpose of the Senate's earlier resolution.

With a view to improving public-health administration the organization will promote better standards of teaching and training health officials and, at the request of governments, will provide technical assistance and advice. It will promote research on diseases and their treatment as a means of improving health conditions. The organization will have responsibility for receiving and disseminating epidemiological information, as required by international treaties which have been concluded for the purpose of preventing the spread of epidemic diseases. It is authorized by the constitution to prepare conventions and to adopt regulations to keep these treaties abreast of scientific developments. Since the Surgeon General of the United States Public Health Service is here, I am sure that the Committee will be able

to obtain from him a more complete account of the organization than I could provide.

Governments long ago realized that their combined efforts were required to prevent the spread of disease. Hence there is a long tradition of international cooperation in the interest of health. This Government has helped to build this tradition. The United States has been a party to the sanitary conventions in which the governments have agreed to notify each other of the outbreak of an epidemic disease. Also, this Government has been a member of the International Office of Public Health, which was designed and developed to perform special functions pursuant to the sanitary conventions. Although not a member of the League of Nations, the United States cooperated with its health organization, whose work was one of the League's principal achievements. That organization was supported in part by funds from the Rockefeller Foundation, and an official of this Government sat in his private capacity as a member of the organization's advisory committee.

During the war the activities of these two organizations were necessarily curtailed. To insure the continuance of essential functions for safeguarding public health and to be ready to meet any threat from an epidemic in war-torn countries, the governments supporting UNRRA assigned to it certain responsibilities in the international health field. The Health Division of UNRRA performed epidemiological-intelligence functions as required by the 1944 sanitary conventions, and maintained health missions to combat tuberculosis, typhus, malaria, etc., in several countries where health administration had been interrupted by the war, to assist local governments in re-establishing their health services. No other organization was in a position to undertake this work.

The problem of the best way to organize future international health activities was carefully

¹ Made before the Senate Committee on Foreign Relations on June 17, 1947. Mr. Sandifer is Acting Legislative Counsel for the Department of State.

studied by the Technical Preparatory Committee which the United Nations appointed in February 1946, when it was decided to convene an international health conference. This committee, composed of health experts, was asked to prepare proposals for the consideration of the conference, which would meet to determine the appropriate machinery for international action in the field of public health. Realizing that existing organizations could not cope with new conditions resulting from the developments of medical science and transportation, the committee proposed that existing health agencies be consolidated into one single, modern, international organization. It recommended specifically that the International Office of Public Health be absorbed into this new international organization and that the health functions of the League and UNRRA be taken over by the organization. These proposals were accepted by the International Health Conference and subsequently approved by the Economic and Social Council and the General Assembly of the United Nations.

The absorption of the League health organization and of UNRRA's Health Division presented no problems since the League was being dissolved and since UNRRA was admittedly a temporary organization. The International Office of Public Health, however, was established by an international treaty, the Rome agreement of 1907, to which, in July 1946, 45 states (including the United States) and 14 protectorates, colonies, or other dependent territories were parties. Consequently a new agreement was needed to bring about the absorption of the Office by the new organization, and accordingly a protocol was signed on behalf of 60 states at the International Health Conference. This protocol was transmitted to the Senate on February 10, 1947 (Senate Document, 80th Cong., 1st sess., Executive D), and I hope that the Senate will act upon this instrument together with the World Health Organization constitution.

The need for special arrangements for regional health organizations like the Pan American Sanitary Bureau and Pan Arab Health Bureau has also been recognized. It is agreed that these organizations should continue their activities but, in order to insure coordinated action with respect to measures in the international health field and to avoid unnecessary duplication and overlapping, that they should be brought within the framework of

the World Health Organization by mutual agreement.

The Charter of the United Nations clearly recognizes the importance of international cooperation in finding solutions for social and economic as well as for political problems. By unanimous decision of the delegates at the San Francisco conference, health is specifically mentioned as one of the fields in which such cooperation is to be promoted.

The Charter also recognizes that international cooperation to deal with social and economic problems may take different forms. In some cases cooperation can be undertaken best by using the machinery of the United Nations itself, but in framing the Charter it was agreed that in other instances international organizations to be concerned with specialized subjects should rest upon separate intergovernmental agreements. A specialized agency such as the World Health Organization is particularly appropriate for international cooperation in a technical field.

The Technical Preparatory Committee, to which I have already referred, recommended that the organization be established as a specialized agency and that it be brought into close relationship with the United Nations by an agreement in accordance with article 57 of the Charter. In its observations to the International Health Conference on the report of this committee, the Economic and Social Council approved this recommendation.

I mention this matter of the form of the World Health Organization in order to make it clear that, while the Congress is being asked to approve United States membership in a new organization, this organization is being established pursuant to action initiated within the United Nations and in accordance with the Charter. Furthermore, the basic instrument of the new health organization provides that it should be brought into close relationship with the United Nations and other organizations already established as specialized agencies.

I should like to emphasize the importance which the Department of State attaches to favorable action by the Congress on this joint resolution.

The organization provided for by the constitution is urgently needed to insure adequate means of meeting any emergency situation and to serve the other laudable but perhaps less conspicuous

purposes defined in the constitution. Favorable action by this Congress would not only mean acceptance by one more of the 26 members of the United Nations required to bring the organization into being but would almost certainly be the spur to action by other governments, 10 of which have already accepted membership.

Because it was expected that several months would elapse before the constitution could be accepted by a sufficient number of governments to enable the organization to be established, the International Health Conference set up an Interim Commission as a stop-gap. The conference concurred with the recommendation of the Technical Preparatory Committee that such a body was necessary in order to make plans for the establishment of the organization and to perform essential functions in the international health field pending the coming into force of the constitution. The United Nations was convinced of the necessity of continuing this work and advanced funds to the Commission for this purpose. These functions may be divided into three categories:

(1) Performing certain duties required by international conventions, to which the United States is a party, such as the dissemination of epidemiological information on the basis of which governments may take measures to curb the spread of contagious diseases. The Interim Commission is performing these duties by virtue of decisions of the International Office of Public Health and UNRRA and in pursuance of the protocol to prolong the 1944 sanitary conventions, to which the Senate gave its advice and consent on July 25, 1946.

(2) Continuing a number of activities of the League of Nations health organization: for example, the standardization of drugs and biological products, which had been assumed by the United Nations and transferred by it to the Commission; and the continuance of certain health missions formerly supported by UNRRA and financed temporarily by funds received from that organization. It was recognized that the sudden termination of some of these programs, such as malaria and tuberculosis control in Greece, might have calamitous consequences, and the liquidation of the program of aid being given to certain countries in rebuilding their health services, which is the primary aim of the new organization, might be disastrous.

(3) Taking measures to deal with emergency situations such as the outbreak of an epidemic.

Provision has therefore been made for continuing without any break functions required by international conventions, for carrying on other essential activities, and for meeting any emergency which might arise. The Commission's work is advisory and administrative; it has no regulatory functions. The Interim Commission was designed as a temporary body and is not equipped to fulfil more than minimum needs. The establishment of the organization at the earliest possible moment is, therefore, highly desirable.

It is our conviction that cooperation among governments to find solutions for international problems in the nonpolitical fields will contribute to the development of effective international cooperation and to solving of problems in the political field. Governments have shown a willingness to cooperate in dealing with health problems. The World Health Organization will afford greater opportunities for such cooperation. Certainly one of the first prerequisites of well-being of people, upon which peace and security rest, is health.

U.S. Delegation to Third Part of First Session of IRO

The Department of State announced on July 11 that the United States Delegation to the Third Part of the First Session of the International Refugee Organization will leave July 12 for Lausanne, where the meeting is scheduled to open on July 15. The United States Delegation is as follows:

United States Representative on the Preparatory Commission

George L. Warren, Adviser on Refugees and Displaced Persons, Department of State

Advisers

Dorothy Lally, Technical Assistant, Office of the Commissioner, Social Security Administration, Federal Security Agency

George W. Lawson, Jr., Administrative Analyst, Bureau of the Budget

Administrative Assistant

Eleanor A. Burnett, Secretary to the Adviser on Refugees and Displaced Persons, Department of State

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Activities and Developments

ACCOMPLISHMENTS OF FOURTH MEETING OF RUBBER STUDY GROUP¹

The fourth meeting of the Rubber Study Group, held in Paris under the chairmanship of Georges Peter, Director of Economic Affairs at the Ministry of France Overseas, ended on July 8.

The meeting was attended by delegates from Australia, Belgium, Bolivia, British Colonies, Canada, Ceylon, Czechoslovakia, Denmark, Ecuador, France, Hungary, Italy, Liberia, Netherlands, Norway, Siam, United Kingdom, United States, and Venezuela, and by observers from Brazil, Colombia, Finland, Guatemala, Mexico, Poland, Portugal, Sweden, Switzerland, the United Nations, and the Food and Agriculture Organization.

It is regretted that Brazil and Poland were wrongly shown in the communiqué released on July 1 as sending delegates; they sent only observers. Chile did not send an observer as announced in the communiqué.

The principal objects of the meeting were:

1. To consider the organization of the enlarged Study Group.
2. To review the world rubber situation in the light of changes since the previous meeting, held at The Hague in November 1946.

The Study Group adopted a resolution recommending that participating governments accept new terms of reference, of which the principal features are:

1. That membership shall be open to all countries substantially interested in the production of, consumption of, or trade in rubber.
2. That the group shall consider measures designed to expand world consumption of rubber.
3. That the group shall consider how best to deal with any special difficulties which may exist or may be expected to arise and may submit rec-

¹ Released to the press by the Rubber Study Group in Paris on July 8 and in Washington on July 9, 1947.

ommendations on the subject to the participating governments.

4. That the group shall maintain such secretariat as it may deem necessary for the proper conduct of its work and shall arrange for the collection and dissemination of statistics.

For the purpose of facilitating the establishment of a permanent secretariat, the Study Group has recommended unanimously to the participating governments the setting up as soon as possible of a management committee to supervise the establishment and work of the secretariat, the following members to be represented, in the first instance, on the management committee: France, Netherlands, United Kingdom, and United States. The question of the membership of the management committee will be reexamined at the next meeting.

It was agreed that the permanent site of the secretariat should be in London.

The group examined the current statistical position but, because of the many imponderables which now affect the situation, refrained from making any firm estimates for supply and demand beyond the end of 1947. During 1947, as far as could be foreseen in present conditions, it was estimated that the production of natural rubber will be about 1,200,000 tons and of synthetic rubber about 515,000 tons. The total consumption of natural rubber is estimated at just over 1,060,000 tons and of synthetic rubber at 585,000 tons. These figures do not include any estimates for the Soviet Union except in respect of imports of natural rubber.

If these estimates are realized, stocks of natural rubber at the end of 1947 will be 140,000 tons higher than at the end of 1946, and stocks of synthetic rubber 70,000 tons lower. Both the United States and United Kingdom Governments are at present holding substantial stocks of natural rubber, and these should be taken into account in looking at the over-all stock position.

The Rubber Study Group noted with great concern the downward trend in the market price of

natural rubber and decided to recommend that the governments concerned should consider, as a matter of urgency, what action they are in a position to take to meet this special difficulty.

The group considered what action could be taken to expand world consumption of rubber. They hoped that no avoidable obstacles would be placed in the way of international trade in and use of rubber and that maximum assistance would be given to the countries which desire to make an extensive use of rubber but which, on account of the war, cannot afford to pay in foreign currencies for the rubber imports they require.

U.S. DELEGATION TO MICROBIOLOGY CONGRESS

[Released to the press July 10]

The Secretary of State announced on July 10 that the President has approved the composition of the United States Delegation to attend the Fourth International Congress for Microbiology which is scheduled to be held at Copenhagen from July 20 to 26, 1947. The United States Delegation is as follows:

Chairman

Dr. Malcolm H. Soule, School of Medicine, University of Michigan, Ann Arbor, Mich.

Delegates

Dr. J. Howard Brown, Department of Bacteriology, Johns Hopkins University School of Medicine, Baltimore, Md.

Dr. Rene Jules Dubos, professor of comparative pathology and tropical medicine, Harvard Medical School, Boston, Mass.

Dr. Michael Heidelberger, professor of biochemistry, College of Physicians and Surgeons, Columbia University, New York, N.Y.

Dr. Herman E. Hilleboe, United States Public Health Service, Washington, D.C.

Dr. I. Forest Huddleson, Michigan State College, East Lansing, Mich.

Dr. Stuart Mudd, professor of bacteriology, University of Pennsylvania, Philadelphia, Pa.

Dr. John R. Paul, professor of preventive medicine, Yale University School of Medicine, New Haven, Conn.

Dr. James M. Sherman, professor of bacteriology and dairy industry, Cornell University, Ithaca, N.Y.

Dr. S. A. Waksman, New Jersey Agricultural Experiment Station, New Brunswick, N.J.

Dr. C. H. Werkman, Department of Bacteriology, Iowa State College, Ames, Iowa.

Dr. H. S. Willis, National Tuberculosis Association, New York, N.Y.

Dr. Claude E. ZoBell, University of California, the Scripps Institution of Oceanography, La Jolla, Calif.

July 20, 1947

The First International Congress for Microbiology was held at Paris in 1930. The second meeting was held at London in 1936 and the third at New York City in 1939. The purpose of the congresses is to disseminate and facilitate the exchange of ideas among scientists from all parts of the world who are interested in the problems of microbiology.

The forthcoming congress will be divided into sections for lectures and discussions on the following subjects: (1) general microbiology; (2) medical and veterinary bacteriology; (3) viruses and viral diseases; (4) serology and immunology; (5) variation and mutation in microorganisms; (6) plant pathology and mycology; and (7) soil and water microbiology. The two principal speakers in the general forum of the congress will be Dr. Waksman, the discoverer of streptomycin, and Dr. Werkman.

U.S. DELEGATION TO PUBLIC EDUCATION CONFERENCE

[Released to the press July 10]

The Secretary of State announced on July 10 that the President has approved the composition of the United States Delegation to the Tenth International Conference on Public Education which is scheduled to be held at Geneva beginning on July 14, 1947. The Delegation is as follows:

Chairman

Galen Jones, Director, Division of Secondary Education, United States Office of Education, Federal Security Agency

Delegate

Howard E. Wilson, Assistant Director, Division of Intercourse and Education, Carnegie Endowment for International Peace, Washington, D.C.

Sponsored by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Bureau of Education (IBE), the Tenth International Conference on Public Education will be essentially technical in character. The purpose of the meeting is to afford an opportunity for an exchange of information on the recent developments of educational movements in the various countries and to make possible the discussion, on an international plane, of a certain number of educational problems which are of current interest and which have

ACTIVITIES AND DEVELOPMENTS

formed the subject of inquiries or study on the part of UNESCO and the IBE.

The agenda of the conference will include discussion of the following points: (1) reports from the Ministers of Education on educational movements during the school year 1946-47; (2) gratuity of school supplies; (3) physical education in secondary schools; and (4) a teachers' charter.

MEMBERSHIP IN PAN AMERICAN RAILWAY CONGRESS

Statement by Assistant Secretary Armour

[Released to the press July 9]

The Department has transmitted draft legislation to the Bureau of the Budget to enable United States participation in the Pan American Railway Congress. The Congress, which originated as a South American organization in 1910, serves as a forum for the discussion of technical, economic, and administrative problems of railways and the formulation of recommendations leading to the improvement of the transportation systems of the Americas. Membership was opened to countries of Central and North America in 1941; however, earlier action for United States participation was delayed by the war. The sixth session of the Congress is scheduled to be held in Habana next February.

THE CONGRESS

The Wool Act of 1947—Veto Message: Message from the President of the United States returning without approval the bill (S. 814) entitled "An Act To Provide Support for Wool, and for Other Purposes". S. Doc. 68, 80th Cong., 1st sess. 3 pp.

Authorizing the Attorney General To Adjudicate Certain Claims Resulting From Evacuation of Certain Persons of Japanese Ancestry Under Military Orders. H. Rept. 732, 80th Cong., 1st sess., To accompany H.R. 3999. 5 pp.

Protection, Preservation, and Extension of the Sockeye Salmon Fishery of the Fraser River System. H. Rept. 729, 80th Cong., 1st sess., To accompany H.R. 3767. 6 pp.

Continuing the Authority of the Maritime Commission To Sell, Charter, and Operate Ships. H. Rept. 725, 80th Cong., 1st sess., To accompany H.R. 3911. 2 pp.

Providing for Membership and Participation by the United States in the World Health Organization and Authorizing an Appropriation Therefor. S. Rept. 421, 80th Cong., 1st sess., To accompany S. J. Res. 98. 22 pp. [Favorable report.]

Authorizing the Appropriation of Conscientious Ob-

jectors' Earnings to the International Children's Emergency Fund of the United Nations. S. Rept. 434, 80th Cong., 1st sess., To accompany S. 1502. 2 pp. [Favorable report.]

Departments of State, Justice, and Commerce, and the Judiciary Appropriation Bill, 1948. H. Rept. 787, 80th Cong., 1st sess., To accompany H.R. 3311. 8 pp.

Providing for Removal From, and the Prevention of Appointment to, Offices or Positions in the Executive Branch of the Government of Persons Who Are Found To Be Disloyal to the United States. H. Rept. 616, 80th Cong., 1st sess., To accompany H.R. 3813. 10 pp. [Favorable report.]

The Panama Canal. H. Rept. 781, 80th Cong., 1st sess., pursuant to H. Res. 36, 80th Cong., 1st sess. 22 pp.

Emergency Appropriation Bill, 1948. H. Rept. 782, 80th Cong., 1st sess., To accompany H.R. 4031. 5 pp.

Sugar Act of 1948. H. Rept. 796, 80th Cong., 1st sess., To accompany H.R. 4075. 21 pp.

Constitution of the International Labor Organization Instrument of Amendment: Hearing before a Subcommittee of the Committee on Foreign Relations, United States Senate, 80th Cong., 1st sess., on providing for acceptance by the United States of America of the Constitution of the International Labor Organization Instrument of Amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States; May 19, 1947. II, 19 pp.

Convention With France on Double Taxation: Hearings before a Subcommittee of the Committee on Foreign Relations, United States Senate, 80th Cong., 1st sess., on Executive A, convention with France on double taxation; January 30, February 6, and April 17, 1947. III, 191 pp. [Department of State, pp. 26-27; 137-141.]

Investigation of Expenditures, Bureau of Customs: Hearings before the Committee on Expenditures in the Executive Departments, United States Senate, 80th Cong., 1st sess., on Investigation of Expenditures, Bureau of Customs; April 2, 7, 11, and 14, 1947. III, 113 pp.

Long-Range Agricultural Policy: Hearings before the Committee on Agriculture, House of Representatives, 80th Cong., 1st sess.; April 21, 22, and 23, 1947. Part I. III, 89 pp.

The Fur Situation: Hearings before Special Subcommittee on Fur of the Committee on Agriculture, House of Representatives, 80th Cong., 1st sess.; April 17 and 18, 1947. Part I. III, 86 pp. [Department of State, pp. 18-21.]

Government Corporations Appropriation Bill for 1948. Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 80th Cong., 1st sess., on the Government Corporations Appropriation Bill for 1948. Part I. II, 494 pp. [Department of State, pp. 359-408.]

Reorganization Plans Nos. 1 and 2 of 1947: Hearings before the Committee on Expenditures in the Executive Departments, House of Representatives, 80th Cong., 1st sess., on H. Con. Res. 49, H. Con. Res. 50; May 21, 22, 23, 24, 26, and 27, 1947. IV, 248 pp.

Department of State Bulletin

Legislation Advocated for Entrance of Displaced Persons Into the United States

MESSAGE OF THE PRESIDENT TO THE CONGRESS¹

To the Congress of the United States:

On several occasions I have advocated legislation to enable a substantial number of displaced persons to enter the United States as immigrants. I stated this view in opening the Second Session of the General Assembly of the United Nations. In the message on the state of the Union on January 6, 1947, I said:

" . . . The fact is that the executive agencies are now doing all that is reasonably possible under the limitation of existing law and established quotas. Congressional assistance in the form of new legislation is needed. I urge the Congress to turn its attention to this world problem, in an effort to find ways whereby we can fulfill our responsibilities to these thousands of homeless and suffering refugees of all faiths."²

I express appreciation to the Congress for the attention already being given to this problem, an appreciation which appears to be generously shared by the public with increasing understanding of the facts and of our responsibilities.

Because of the urgency of this subject I should like again to call attention to some of its fundamental aspects. We are dealing here solely with an emergency problem growing out of the war—the disposition of a specific group of individuals, victims of war, who have come into the hands of our own and the other western Allied armies of occupation in Europe.

We should not forget how their destiny came into our hands. The Nazi armies, as they swept over Europe, uprooted many millions of men, women, and children from their homes and forced

them to work for the German war economy. The Nazis annihilated millions by hardship and persecution. Survivors were taken under the care of the western Allied armies, as these armies liberated them during the conquest of the enemy. Since the end of hostilities, the armies of occupation have been able to return to their homes some 7,000,000 of these people. But there still remain, in the western zones of Germany and Austria and in Italy, close to a million survivors who are unwilling by reason of political opinion and fear of persecution to return to the areas where they once had homes. The great majority come from the northern Baltic areas, Poland, the Russian Ukraine, and Yugoslavia.

The new International Refugee Organization, supported by the contributions of this and other countries, will aid in the care and resettlement of these displaced persons. But, as I have pointed out before, the International Refugee Organization is only a service organization. It cannot impose its will on member countries. Continuance of this Organization and our financial support of its work will be required as long as the problem of these homeless people remains unsolved.

It is unthinkable that they should be left indefinitely in camps in Europe. We cannot turn them out in Germany into the community of the very people who persecuted them. Moreover, the German economy, so devastated by war and so

¹ Read in the Senate and the House of Representatives on July 7, 1947, and released to the press by the White House on the same date. H. Doc. 382.

² BULLETIN of Jan. 19, 1947, p. 124.

badly overcrowded with the return of people of German origin from neighboring countries, is approaching an economic suffocation which in itself is one of our major problems. Turning these displaced persons into such chaos would be disastrous for them and would seriously aggravate our problems there.

This Government has been firm in resisting any proposal to send these people back to their former homes by force, where it is evident that their unwillingness to return is based upon political considerations or fear of persecution. In this policy I am confident I have your support.

These victims of war and oppression look hopefully to the democratic countries to help them rebuild their lives and provide for the future of their children. We must not destroy their hope. The only civilized course is to enable these people to take new roots in friendly soil. Already certain countries of western Europe and Latin America have opened their doors to substantial numbers of these displaced persons. Plans for making homes for more of them in other countries are under consideration. But our plain duty requires that we join with other nations in solving this tragic problem.

We ourselves should admit a substantial number as immigrants. We have not yet been able to do this because our present statutory quotas applicable to the eastern European areas from which most of these people come are wholly inadequate for this purpose. Special legislation limited to this particular emergency will therefore be necessary if we are to share with other nations in this enterprise of offering an opportunity for a new life to these people.

I wish to emphasize that there is no proposal for a general revision of our immigration policy as now enunciated in our immigration statutes. There is no proposal to waive or lower our present prescribed standards for testing the fitness for admission of every immigrant, including these displaced persons. Those permitted to enter would still have to meet the admission requirements of our existing immigration laws. These laws provide adequate guaranties against the entry of those who are criminals or subversives, those likely to become public charges, and those who are otherwise undesirable.

These displaced persons are hardy and re-

sourceful or they would not have survived. A survey of the occupational backgrounds of those in our assembly centers shows a wide variety of professions, crafts, and skills. These are people who oppose totalitarian rule and who because of their burning faith in the principles of freedom and democracy have suffered untold privation and hardship. Because they are not Communists and are opposed to Communism, they have stanchly resisted all efforts to induce them to return to Communist-controlled areas. In addition, they were our individual allies in the war.

In the light of the vast numbers of people of all countries that we have usefully assimilated into our national life, it is clear that we could readily absorb the relatively small number of these displaced persons who would be admitted. We should not forget that our Nation was founded by immigrants many of whom fled oppression and persecution. We have thrived on the energy and diversity of many peoples. It is a source of our strength that we number among our people all the major religions, races, and national origins.

Most of the individuals in the displaced persons centers already have strong roots in this country—by kinship, religion, or national origin. Their occupational background clearly indicates that they can quickly become useful members of our American communities. Their kinsmen, already in the United States, have been vital factors in farm and workshop for generations. They have made lasting contributions to our arts and sciences and political life. They have been numbered among our honored dead on every battlefield of war.

We are dealing with a human problem, a world tragedy. Let us remember that these are fellow human beings now living under conditions which frustrate hope; which make it impossible for them to take any steps, unaided, to build for themselves or their children the foundations of a new life. They live in corroding uncertainty of their future. Their fate is in our hands and must now be decided. Let us join in giving them a chance at decent and self-supporting lives.

I urge the Congress to press forward with its consideration of this subject and to pass suitable legislation as speedily as possible.

HARRY S. TRUMAN

THE WHITE HOUSE
July 7, 1947

Department of State Bulletin

United States-Greek Relief Agreement¹

[Released to the press July 8]

WHEREAS, it is the desire of the United States to provide relief assistance to the Greek people to prevent suffering and to permit them to continue effectively their efforts toward recovery; and

WHEREAS, the Greek Government has requested the United States Government for relief assistance and has presented information which convinces the Government of the United States that the Greek Government urgently needs assistance in obtaining the basic essentials of life for the people of Greece; and

WHEREAS, the United States Congress has by Public Law 84, 80th Congress, May 31, 1947, authorized the provision of relief assistance to the people of those countries which, in the determination of the President, need such assistance and have given satisfactory assurances covering the relief program as required by the Act of Congress; and

WHEREAS, the Greek Government and the United States Government desire to define certain conditions and understandings concerning the handling and distribution of the United States relief supplies and to establish the general lines of their cooperation in meeting the relief needs of the Greek people;

The Government of Greece represented by Premier Demetrios Maximos and the Government of the United States represented by Ambassador Lincoln MacVeagh have agreed as follows:

Article I. Furnishing of Supplies

(a) The program of assistance to be furnished shall consist of such types and quantities of supplies, and procurement, storage, transportation and shipping services related thereto, as may be determined from time to time by the United States Government after consultation with the Greek Government in accordance with Public Law 84, 80th Congress, May 31, 1947, and any Acts amendatory or supplementary thereto. Such supplies shall be confined to certain basic essentials of life; namely, food, medical supplies, processed and unprocessed material for clothing, fertilizers, pesticides, fuel, and seeds.

(b) Subject to the provisions of Article III the United States Government will make no request, and will have no claim, for payment for United States relief supplies and services furnished under this Agreement.

(c) The United States Government agencies will provide for the procurement, storage, transportation and shipment to Greece of United States relief supplies, except to the extent that the United States Government may authorize other means for the performance of these services in accordance with procedures stipulated by the United States Government. All United States relief supplies shall be procured in the United States except

when specific approval for procurement outside the United States is given by the United States Government.

(d) The Greek Government will from time to time submit in advance to the United States Government its proposed programs for relief import requirements. These programs shall be subject to screening and approval by the United States Government and procurement shall be authorized only for items contained in the approved programs.

(e) Transfers of United States relief supplies shall be made under arrangements to be determined by the United States Government in consultation with the Greek Government. The United States Government, whenever it deems it desirable, may retain possession of any United States relief supplies, or may recover possession of such supplies transferred up to the city or local community where such supplies are made available to the ultimate consumers.

Article II. Distribution of Supplies in Greece

(a) All United States relief supplies shall be distributed by the Greek Government under the direct supervision and control of the United States representatives and in accordance with the terms of this Agreement. The distribution shall be through commercial channels to the extent feasible and desirable.

(b) All United States relief supply imports shall be free of fiscal charges including customs duties up to the point where they are sold for local currency as provided by Article III of this Agreement unless when because of price practices, it is advisable to include customs charges or government taxes in prices fixed, in which case the amount thus collected on United States relief supply imports shall accrue to the special account referred to in Article III. All United States relief supply imports given free to indigents, institutions and others shall be free of fiscal charges, including customs duties.

(c) The Greek Government will designate a high ranking official who shall have the responsibility of liaison between the Greek Government and the United States representatives responsible for the relief program.

(d) The Greek Government will distribute United States relief supplies and similar supplies produced locally or imported from outside sources, without discrimination as to race, creed or political belief, and will not permit the diversion of any of such supplies to non-essential uses or for export or removal from the country while need

¹ Signed at Athens on July 8, 1947, on behalf of the Government of Greece by Premier Demetrios Maximos and on behalf of the Government of the United States by Ambassador Lincoln MacVeagh. Printed from telegraphic text.

THE RECORD OF THE WEEK

therefor for relief purposes continues. The Greek Government will not permit the diversion of an excessive amount of United States relief supplies and similar supplies produced locally or imported from outside sources to assist in the maintenance of armed forces.

(e) The Greek Government will so conduct the distribution of United States relief supplies and similar supplies produced locally and imported from outside sources as to assure a fair and equitable share of the supplies to all classes of the people throughout Greece.

(f) A ration and price control system shall be maintained and the distribution shall be so conducted that all classes of the population, irrespective of purchasing power, shall receive their fair share of supplies covered in this Agreement.

Article III. Utilization of Funds Accruing from Sales of United States Supplies

(a) The prices at which the United States supplies shall be sold in Greece shall be agreed upon between the Greek Government and the United States Government.

(b) When United States relief supplies are sold for local currency, the amount of such local currency shall be deposited by the Greek Government in a special account in the name of the Greek Government.

(c) Until June 30, 1948, such funds shall be disposed of only upon approval of the duly authorized representative of the United States Government for relief and work relief purposes within Greece, including local currency expenses of the United States incident to the furnishing of relief. Any unencumbered balance remaining in such account on June 30, 1948, shall be disposed of within Greece for such purposes as the United States Government, pursuant to Act or Joint Resolution of Congress, may determine.

(d) The Greek Government will upon request advance funds to the United States representatives to meet local currency expenses incident to the furnishing of relief.

(e) While it is not intended that the funds accruing from sales of the United States relief supplies normally shall be used to defray the local expenses of the Greek Government in handling and distributing the United States relief supplies, including local currency costs of discharging cargo and other port charges, the United States representatives shall consider with the Greek Government the use of the funds to cover the unusual costs which would place an undue burden on the Greek Government.

(f) The Greek Government will each month make available to United States representatives reports on collections, balances and expenditures from the fund.

(g) The Greek Government will assign officials to confer and plan with the United States representatives regarding the disposition of funds accruing from sales to assure a prompt and proper use of such funds.

Article IV. Effective Production, Food Collections and Use of Resources to Reduce Relief Needs

(a) The Greek Government will exert all possible efforts to secure the maximum production and collection

of locally produced supplies needed for relief purposes.

(b) The Greek Government will undertake not to permit any measures to be taken involving delivery, sale or granting of any articles of the character covered in this Agreement which would reduce the locally produced supply of such articles and thereby increase the burden of relief.

(c) The Greek Government will furnish regularly current information to the United States representatives regarding plans and progress in achieving this objective.

(d) The Greek Government affirms that it has taken and is taking in so far as possible, the economic measures necessary to reduce its relief needs and to provide for its own future reconstruction.

Article V. United States Representatives

(a) The United States Government will send to Greece the representatives required to discharge responsibilities of the United States Government under this Agreement and the Public Law 84, 80th Congress, May 31, 1947. The Greek Government will permit and facilitate the movement of the United States representatives to, in or from Greece.

(b) The Greek Government will permit and facilitate in every way the freedom of the United States representatives to supervise, inspect, report and travel throughout Greece at any and all times, and will cooperate fully with them in carrying out all of the provisions of this Agreement. The Greek Government will furnish the necessary automobile transportation to permit the United States representatives to travel freely throughout Greece and without delay.

(c) The United States representatives and the property of the mission and of its personnel shall enjoy in Greece the same privileges and immunities as are enjoyed by the personnel of the United States Embassy in Greece and the property of the Embassy and of its personnel.

Article VI. Freedom of United States Press and Radio Representatives to Observe and Report

The Greek Government will permit representatives of the United States Press and Radio to observe freely and report fully and without censorship regarding the distribution and utilization of relief supplies and the use of funds accruing from sale of United States relief supplies.

Article VII. Reports, Statistics and Information

(a) The Greek Government will maintain adequate statistical and other records on relief and will consult with the United States representatives, upon their request, with regard to the maintenance of such records.

(b) The Greek Government will furnish promptly upon request of the United States representatives information concerning the production, use, distribution, importation, and exportation of any supplies which affect the relief needs of the people.

(c) In case United States representatives report apparent abuses or violations of this Agreement, the Greek Government will investigate and report and promptly

take such remedial action as is necessary to correct such abuses or violations as are found to exist.

Article VIII. Publicity Regarding United States Assistance

(a) The Greek Government will permit and arrange full and continuous publicity regarding the purpose, source, character, scope, amounts and progress of the United States relief program in Greece, including the utilization of funds accruing from sales of United States relief supplies for the benefit of the people.

(b) All United States relief supplies and any articles processed from such supplies, or containers of such supplies or articles, shall, to the extent practicable, be marked, stamped, branded, or labelled in a conspicuous place in such a manner as to indicate to the ultimate consumer that such supplies or articles have been furnished by the United States for relief assistance; or if such supplies, articles or containers are incapable of being so marked, stamped, branded, or labelled, all practicable steps will be taken by the Greek Government to inform the ultimate consumer thereof that such supplies or articles have been furnished by the United States for relief assistance.

Article IX. Termination of Relief Assistance

The United States Government will terminate any or

all of its relief assistance at any time whenever it determines (1) by reason of changed conditions, the provision of relief assistance of the character authorized by the Public Law 84, 80th Congress, May 31, 1947, is no longer necessary (2) any provisions of this Agreement are not being carried out (3) an excessive amount of United States relief supplies, or of similar supplies produced locally or imported from outside sources, is being used to assist in the maintenance of armed forces in Greece, or (4) United States relief supplies or similar supplies produced locally or imported from outside sources are being exported or removed from Greece. The United States Government may stop or alter its program of assistance whenever in its determination other circumstances warrant such action.

Article X. Date of Agreement

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Done in duplicate in the English and Greek languages at Athens, this eighth day of July, 1947.

LINCOLN MACVEAGH

For the Government of the United States

DEMETRIOS MAXIMOS

For the Government of Greece

Program of the American Mission for Aid to Greece

STATEMENT BY THE CHIEF OF THE AMERICAN MISSION¹

Organization and Program

The Greek nation, devastated by war and occupation and plunder, was forced to get outside help. When the British, who had been assisting Greece, announced their intention of withdrawing, Greece turned to the United States for help. As soon as her appeal was received, President Truman addressed a joint session of Congress requesting authority to furnish aid to Greece. On May 22d Congress passed an act authorizing the United States to furnish economic, technical, and material assistance to Greece. Following this action the President named me to head a mission to go to Greece to administer, in cooperation with the Greek Government, the actual assistance to be provided by this country. The Senate has confirmed the appointment, and the mission will leave for Greece in a few days.

The mission will cooperate with the Greek Government in developing recovery and reconstruction programs which will provide for effective use of United States aid and also of Greece's own resources. The chief of mission is to have authority over both civilian and military aid. He is authorized to direct the performance by the mission of all activities and functions which he considers necessary to carry out the provisions of the act of May 22, 1947, and the agreement of June 20, 1947, between the Governments of Greece and the United States. The mission will have charge of all allotments of funds made under the act and will supervise and control all assistance furnished by the United States.

¹ Excerpts from a broadcast over the Columbia Broadcasting System on July 9, 1947; for complete text see Department of State press release 567. Dwight P. Griswold is Chief of the American Mission for Aid to Greece.

July 20, 1947

Certain tentative programs have been established. These will form the basis of planning between the mission and the Greek Government. These programs cover reconstruction; agricultural rehabilitation; industry and mining; import and export; relief and welfare; public health; labor; training; finance; and public administration, military and naval. In addition to these operating programs the mission will include program coordination, information, legal and administrative units.

Reconstruction and Rehabilitation

Much remains to be done to restore facilities systematically destroyed by the Germans, so that normal production, distribution, and commerce can be restored. Essential bridges, highways, canals, ports, and railroads must be restored. For example, the vitally important Corinth Canal will be reopened and the port at Piraeus rebuilt. Other reconstruction projects in such fields as communications, agriculture, and industry will be undertaken.

Our aim is to continue the restoration of agricultural production, of cultivation and processing. It will be up to the mission to plan with the Greek Government for the importation of agricultural equipment, fertilizer, seed, and pesticides; collection of the greatest possible volume of agricultural commodities from Greek farms; and the distribution of food so that at least minimum nutritional requirements are met. The agricultural program also contemplates the employment of technicians and specialists in agricultural rehabilitation who will help supply the "know-how" which is needed if the equipment and supplies furnished are to be effectively used.

On the import side, as I've indicated, the mission would aim for the most effective use of Greece's foreign-exchange resources to meet her essential import needs. The development of Greek productive facilities will aim at expanding exports to the greatest degree consistent with the internal requirements of the country. The objective of both programs is to help restore the nation's economy to a position where it can meet its foreign-exchange requirements out of its own foreign-exchange earnings.

Our principal attack will be against Greece's

² BULLETIN of June 29, 1947, p. 1298.

two dominant diseases, tuberculosis and malaria. The country needs help in improving sanitation and medical services and supplies. The public-health program should play a vital part in preventing a further deterioration of Greek manpower.

The question of manpower leads to another factor—the labor problems. The labor section of the mission will assist the Greek Government in improving coordination of labor supply with manpower needs and labor productivity, in balancing the wage-price relationship, and encouraging adoption of more effective employer-employee relations.

Training of Greek Civilians

The purpose of the training program is to train a number of selected Greek civilians in the methods of modern government and technology, so that they will be able to assume the increased responsibilities imposed by the present crisis at the end of the American aid program. Training will be in the fields of agriculture, public health and sanitation, fisheries, industry, finance, government administration, transportation, and communication. The program will include training both in Greece and in the United States. Trainees would be carefully screened in the field by the mission and their training closely supervised at all stages.

Relation of Mission to Greek Army and Government

The relation of the mission to the Greek Army will be to assist in providing the Greek National Army with the equipment and supplies necessary for the restoration of internal order. The objective of the naval program would be to strengthen and make more effective the Greek Navy for the same purpose.

The basic objective with respect to the Greek Government will be to diagnose those administrative difficulties which impede reconstruction and recovery and to assist in remedying them; the mission's Public Administration Division will have this responsibility.

Controls of Mission

There are certain controls that have been requested by the Greek Government in their note to us of June 15.² Put them into three categories: fund, supply, and administrative controls. Under the first, the American mission will control the

disbursements of all U.S. funds. The mission will approve expenditures of Greek funds for activities involving directly or indirectly the use of U.S. aid and will approve the use of all Greek foreign exchange. There are also controls applicable to supply, such as the establishment of points of transfer of supplies procured by U.S. Government agencies, which will permit the mission effectively to account for all such supplies distributed in Greece; retention of the right of recapture with respect to civilian supplies; and controls to help assure equitable distribution of supplies and eliminate unreasonable profits.

In executing this program the mission plans, in agreement with the Greek Government, to utilize the cooperative program technique successfully developed by the Institute of Inter-American Affairs in various Latin American countries. This entails pooling of the resources of the two countries in achieving agreed objectives under an operating organization set up within the framework of the Greek Government and administered by an American. This technique should prove most effective in the fields of agriculture, reconstruction, public health, and training.

Let me stress that this is not a unilateral action, since the Greek Government has specifically and urgently requested United States assistance. I would also point out that the Food and Agriculture Organization of the United Nations, after having made an exhaustive study of Greece's problems, recommended that Greece seek special assistance from the United States. The American Mission for Aid to Greece will cooperate to the utmost with the UNO and will assist the Greeks in every way to win the support of UNO and its affiliated organizations.

I want to make it clear that we go to Greece to help Greece. We want to see this long-time friend and brave ally restored to her rightful place in the peaceful family of nations. We feel that Greece should have the chance to put her house in order, free from the menace of hostile forces across her frontiers.

We can, unfortunately, help in only a small

way; the need is so great. But perhaps we can help the Greek people to a point where they can independently and effectively help themselves. Only in that way will our aid be permanent; only with that approach will it be truly effective.

Telegraph Service Between America and Greece

Statement by Assistant Secretary Armour

[Released to the press July 9]

Direct radiotelegraph service between the United States and Greece has been opened. RCA will operate the United States terminal, while Cable and Wireless will operate the terminal in Greece until such time as the Government of Greece is prepared to assume control.

The new direct service will provide for public telegraphic messages at greatly reduced rates in comparison with those previously in effect where the telegrams were routed via London.

Procedure for Filing War Claims With France

[Released to the press July 7]

The time limit for the filing of claims under French war-damage compensation legislation by American nationals who suffered war damage to property in France has been extended by the French Government to December 31, 1947.

French consular offices in the United States are authorized to receive claims and to furnish the necessary forms and information. French Consulates General are located in New York, San Francisco, Chicago, and New Orleans. French Consulates are located in Boston, Washington, St. Louis, Los Angeles, and San Juan, Puerto Rico.

The basic French law providing compensation for war damage to property in France is law no. 46-2389 of October 28, 1946, which was published in the *Journal Officiel* of October 29, 1946.¹

¹For information concerning the offices of the French Government in France with which claims may be filed and the evidence required to prove the nationality of individual and corporate claimants, see *BULLETIN* of Jan. 26, 1947, p. 166.

Agreement Between U.S. and Turkey To Govern Application of Turkish Aid Program¹

[Released to the press July 12]

The Government of Turkey having requested the Government of the United States for assistance which will enable Turkey to strengthen the security forces which Turkey requires for the protection of her freedom and independence and at the same time to continue to maintain the stability of her economy and;

The Congress of the United States, in the act approved May 22, 1947, having authorized the President of the United States to furnish such assistance to Turkey, on terms consonant with the sovereign independence and security of the two countries; and

The Government of the United States and the Government of Turkey believing that the furnishing of such assistance will help to achieve the basic objectives of the Charter of the United Nations and by inaugurating an auspicious chapter in their relations will further strengthen the ties of friendship between the American and Turkish peoples;

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

Article I

The Government of the United States will furnish the Government of Turkey such assistance as the President of the United States may authorize to be provided in accordance with the act of Congress approved May 22, 1947 and any acts amendatory or supplementary thereto. The Government of Turkey will make effective use of any such assistance in accordance with the provisions of this agreement.

Article II

The chief of mission to Turkey designated by the President of the United States for the purpose will represent the Government of the United States on matters relating to the assistance furnished under this agreement. The chief of mission will determine, in consultation with representatives of the Government of Turkey, the terms and conditions upon which specified assistance shall from time to time be furnished under this agreement, except that the financial terms upon which specified assistance shall be furnished shall be determined from time to time in advance by agreement of the two governments. The chief of mis-

sion will furnish the Government of Turkey such information and technical assistance as may be appropriate to help in achieving the objectives of the assistance furnished under this agreement.

The Government of Turkey will make use of the assistance furnished for the purposes for which it has been accorded. In order to permit the chief of mission to fulfill freely his functions in the exercise of his responsibilities, it will furnish him as well as his representatives every facility and every assistance which he may request in the way of reports, information and observation concerning the utilization and progress of assistance furnished.

Article III

The Government of Turkey and the Government of the United States will cooperate in assuring the peoples of the United States and Turkey full information concerning the assistance furnished pursuant to this agreement. To this end, insofar as may be consistent with the security of the two countries:

(1) Representatives of the press and radio of the United States will be permitted to observe freely and to report fully regarding the utilization of such assistance; and

(2) The Government of Turkey will give full and continuous publicity within Turkey as to the purpose, source, character, scope, amounts, and progress of such assistance.

Article IV

Determined and equally interested to assure the security of any article, service, or information received by the Government of Turkey pursuant to this agreement, the Governments of the United States and Turkey will respectively take after consultation such measures as the other Government may judge necessary for this purpose. The Government of Turkey will not transfer, without the consent of the Government of the United States, title to or possession of any such article or information nor permit, without such consent, the use of any such article or the use or disclosure of any such information by or to anyone not an officer, employee, or agent of the Government of Turkey or for any purpose other than that for which the article or information is furnished.

Article V

The Government of Turkey will not use any part of the proceeds of any loan, credit, grant, or other form of aid rendered pursuant to this agreement for the making of any payment on account of the principal or interest on any loan made to it by any other foreign government.

¹ Signed at Ankara on July 12, 1947, on behalf of the Government of Turkey by Foreign Minister Hasan Saka and on behalf of the Government of the United States by Ambassador Edwin C. Wilson.

Article VI

Any or all assistance authorized to be provided pursuant to this agreement will be withdrawn:

- (1) If requested by the Government of Turkey;
- (2) If the Security Council of the United Nations finds (with respect to which finding the United States waives the exercise of any veto) or the General Assembly of the United Nations finds that action taken or assistance furnished by the United Nations makes the continuance of assistance by the Government of the United States pursuant to this agreement unnecessary or undesirable; and
- (3) Under any of the other circumstances specified in section five of the aforesaid act of Congress or if the President of the United States determines that such withdrawal is in the interest of the United States.

Article VII

This agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two governments.

Article VIII

This agreement shall be registered with the United Nations.

Done in duplicate, in the English and Turkish languages, at Ankara, this twelfth day of July, 1947.

EDWIN C. WILSON

For the Government of the United States

HASAN SAKA

For the Government of Turkey

Text of United States note to the Turkish Government

May 26, 1947.

EXCELLENCY: I have the honor, under instructions from my Government, to communicate the following to your Excellency:

"The Government of the United States of America refers to past discussions between the Governments of the United States of America and Turkey regarding the latter's need for various kinds of assistance. This Government is pleased to inform the Government of Turkey that the President has been authorized to extend such assistance by an Act of Congress signed May 22, 1947.

"The Government of the United States of America is now prepared to enter into discussions regarding the type of assistance which is best suited to Turkish needs and the American Ambassador in Ankara is being instructed accordingly.

"This Government will welcome an assurance that the Turkish Government is prepared to enter into negotiations leading to a mutually acceptable

agreement between the two Governments on the terms under which American aid will be extended."

Please accept [etc.]

EDWIN C. WILSON

His Excellency

HASAN SAKA

Minister of Foreign Affairs

Ankara

Text of the Turkish Government's Reply

May 27, 1947.

MR. AMBASSADOR: I have the honor to acknowledge receipt of Your Excellency's note of May 26, 1947, No. 1432, by which you have been so good as to inform me that the President of the United States of America has been authorized, in virtue of an Act of Congress signed on May 22, 1947, to furnish to Turkey various kinds of assistance and that the Government of the United States is prepared to enter into discussions regarding the type of assistance which is best suited to the needs of Turkey.

In reply I desire to assure Your Excellency that the Government of the Republic of Turkey, for its part, is prepared to enter into negotiations for the conclusion of an agreement mutually acceptable to the two Governments as regards the extension of American aid to Turkey.

Accept [etc.]

HASAN SAKA

His Excellency

MR. EDWIN C. WILSON

Ambassador of the United States of America

Ankara

Anglo-American Talks Planned on German Coal Production

[Released to the press July 11]

At the invitation of the United States Government, the British Government has agreed to send a mission to Washington to discuss urgent problems concerning the improvement of coal production in the Anglo-American zones of Germany.

It is recognized by the two Governments that improvement of production of coal in the bizonal area is essential to the success of any European recovery plans which may be developed by the European countries who are meeting in Paris on July 12.

The actual date of the beginning of the talks will be announced soon.

July 20, 1947

Report of Joint Philippine-American Finance Commission

SUMMARY OF REPORT¹

[Released to the press by the White House July 8]

The President on July 8 transmitted to the Congress for its information the report and recommendations of the Joint Philippine-American Finance Commission, which recently completed a study of financial and budgetary problems of the Philippine Government.

The President expressed confidence in the ability of the Philippine Government to achieve the objectives outlined in the report, which was forwarded to him by Secretary of the Treasury Snyder.

The most significant finding of the Commission is that the Philippines is among the five countries of the world having the highest dollar balances in the United States and that more than \$2,000,000,000 in foreign exchange will accrue to the Philippine economy over the next four years. The Commission estimated that more than one half of these receipts will result from war-damage payments, veterans' benefits, back pay to guerrilla troops, and other United States Government outlays. Most of the balance will arise from Philippine exports.

Accordingly, the Commission recommended that the principal Philippine economic objective for the next few years should be to accelerate greatly the country's rate of economic growth and to bring about a rapid increase of production and a corresponding rise in the standard of living which these foreign-exchange receipts will make possible.

The Commission reported that if the substance of a fiscal program which it recommends is put into effect the Philippine Government will not require additional foreign loans to meet internal budgetary deficits and that the Philippine economy should be able to finance itself through a period of construction and expansion which promises to be greater than the country has ever experienced.

The report advised the Philippine Government to adopt the objective of meeting next year's budget from the proceeds of taxation and internal

borrowing, and to this end the Commission proposed the strengthening of the country's tax-collecting machinery through rigid enforcement of present tax laws, prosecutions for tax evasion, and increases in the corporate income tax, taxes on luxury goods, and processing and other taxes.

Observing that the present debt of the Philippine Government is relatively small and that money incomes are higher than ever before, the Commission recommended creation of a broad market for Government securities, initially to meet budgetary deficits and later to provide funds for economic development.

The report sets forth a plan for a limited issue of Philippine treasury certificates in excess of the present 100 percent dollar and silver backing, if additional funds are required to cover the Government's budget for the fiscal year 1948. To preserve the 100 percent reserve principle pending the working out of more comprehensive monetary and banking reform, the plan recommends a temporary guarantee, in effect, of the limited issue of treasury certificates by the United States Exchange Stabilization Fund. The guarantee would remain in force only until a central bank is established in the Philippines and in no event for more than two years. The issue of treasury certificates could not exceed 100,000,000 pesos, or \$50,000,000.

The Commission recommended adoption by the Philippines of a monetary system in which monetary authority and responsibility would rest in a central bank. Such a system, to be instituted within a year, would entail an abandonment of the 100 percent monetary reserve requirement, and permit the central bank to regulate the money supply to meet the internal needs of the economy. The present system, the Commission said, is not permanently suitable for an independent Philippines.

The central bank would exercise controls to moderate the alternating inflationary and deflationary effects of temporary surpluses and deficits in the balance of international payments. The bank would enable the Government to make more

¹ For complete Report, see White House press release of July 7, 1947.

efficient use for rehabilitation and development purposes of its present dollar resources, which are considered larger than necessary to maintain free convertibility of the peso. It also could assist in establishing a domestic market for both short-term and long-term Philippine Government securities, and increase the effectiveness of the banking system by offering rediscount facilities to other banks and by coordinating the supervision of banks.

The report presents a number of recommendations for meeting the most important unfilled credit needs in the Philippines through use of the country's own resources.

Pending establishment of a central bank, the Commission suggested that application be made to the United States Export-Import Bank and the International Bank for Reconstruction and Development for loans to finance reconstruction and development projects now held up for lack of funds.

A program of import controls is recommended, which would be limited initially to a relatively few commodities. The program could be expanded or contracted as the balance-of-payments situation dictated. The program would prevent the possible dissipation of foreign-exchange resources on imports of nonessential and luxury goods. The report does not recommend control over foreign-exchange transactions. It is believed the Philippines will experience a net inflow of capital over the next few years and that conditions in the islands will not give rise to a flight of capital.

The report presents what the Commission considers to be maximum estimates of Philippine

capital requirements for a five-year program to expand agricultural and industrial output and to provide the additional services required by such a program. Under this program the Philippines would produce more of the goods which it now imports and would sustain and expand the production of Philippine export commodities. The total capital requirements for the program are placed at 2,100,000,000 pesos, of which 1,400,000,000 pesos (\$700,000,000) would be needed to finance imported equipment and supplies.

The Joint Finance Commission was created last December by agreement of the two Governments, following requests by the Philippine Government for substantial American budgetary and rehabilitation loans. Its three American and three Filipino members and a staff of technicians spent several months surveying the Philippine taxes, budget, public debt, currency and banking systems, and problems of exchange and trade and of reconstruction and development.

All members of the Commission signed the report. These were:

Philippine section: Miguel Cuaderno, Sr., Secretary of Finance, chairman; Pio Pedrosa, Commissioner of the Budget; Vicente Carmona, President of the Philippine National Bank.

American section: Edgar G. Crossman, chairman; Arthur W. Stuart, Treasury Department; John Exter, Board of Governors of the Federal Reserve System.

Executive secretaries of the Commission were Felix de la Costa, Banking Commissioner, for the Philippine section and Edward W. Doherty of the Department of State for the American section.

LETTERS FROM THE PRESIDENT TO THE PRESIDENT OF THE SENATE PRO TEMPORE AND TO THE SPEAKER OF THE HOUSE

[Released to the press by the White House July 8]

July 8, 1947.

MY DEAR MR. _____:

I am presenting herewith the Report and Recommendations of the Joint Philippine-American Finance Commission, dated June 7, 1947, and a Technical Memorandum entitled "Philippine Economic Development" which was prepared for the use of the Joint Commission. I also enclose

July 20, 1947

the letter of the Chairman of the National Advisory Council transmitting this Report to me.

Very sincerely yours,

HARRY S. TRUMAN

Honorable ARTHUR H. VANDENBERG

President of the Senate pro tempore

Honorable JOSEPH W. MARTIN, Jr.

Speaker of the House of Representatives

**LETTER OF TRANSMITTAL FROM THE SECRETARY OF THE TREASURY
TO THE PRESIDENT**

[Released to the press by the White House July 8]

July 2, 1947.

MY DEAR MR. PRESIDENT:

Pursuant to action taken by the National Advisory Council on International Monetary and Financial Problems on July 1, 1947, I have the honor to submit the Report of the Joint Philippine-American Finance Commission, dated June 7, 1947, and a technical memorandum on Philippine Economic Development, which have been transmitted to me by Mr. Edgar G. Crossman, American Co-Chairman of the Commission.

The Report outlines a comprehensive and integrated financial, monetary, fiscal and trade program to achieve economic recovery and development in the Philippines and the establishment of sound governmental financial policies and practices suited to post-war conditions and the independent status of the Philippine Government. The Report stresses the full utilization of available Philippine resources for these purposes.

I recognize that the Commission outlines a challenging program. I am confident that the Report will serve as a basis for constructive action by the Philippine Government and people. The Report emphasizes the special relationship existing between the Philippine and United States Governments, and the sympathetic interest of this Government in the fiscal independence and economic development of the Philippines. I sincerely hope that action taken by the Philippine Government in carrying out the program recommended by the Commission will lead to careful consideration by the appropriate United States Government agencies of the recommendations addressed to this Government.

In my opinion, the Joint Philippine-American Finance Commission, in its establishment, work and results, is a most significant demonstration of the mutually beneficial cooperation which can be achieved by democratic nations. I believe that those persons whose efforts, energy and study made possible the findings and recommendations of the Joint Philippine-American Finance

Commission, are deserving of the highest commendation.

Faithfully yours,

JOHN W. SNYDER

*Chairman, National Advisory Council on
International Monetary and Financial Problems*

THE PRESIDENT

The White House

Payments on Lend-Lease Accounts

China

Statement by Assistant Secretary Armour

[Released to the press July 9]

We have received a check for \$2,820,020.32 from the Chinese Supply Commission in payment of principal and interest due on July 1, 1947, from the Republic of China under the terms of "agreement between the Governments of the United States and the Republic of China on the disposition of lend-lease supplies in inventory or procurement in the United States" dated June 14, 1946.

Of this amount, \$1,095,020.32 represents interest payable July 1, 1947, at the rate of 2½ percent on \$46,106,118.75, the amount so far officially reported to the Chinese Government. Additional interest payments are expected as additional principal amounts are reported. An additional sum of \$1,725,000 represents an instalment of principal payable July 1, 1947. This principal amount represents one thirtieth of \$51,750,000, which is the total estimated amount of the Chinese obligation under the lend-lease pipeline agreement of June 14, 1946.

U.S.S.R.

[Released to the press July 9]

The Soviet Government has paid \$4,170,000 to the United States Government on account of interest due on July 1, 1947, under the terms of the

Soviet lend-lease pipeline agreement of October 15, 1945.

Further payments of interest as of July 1, 1947, are expected as additional records of transfers made under the agreement are audited and reported to the Soviet Government. Payments of principal under the agreement of October 15, 1945, are due to begin on July 1, 1954.

Lt. Gen. A. C. Wedemeyer Heads Mission To Study Conditions in China and Korea

[Released to the press by the White House July 11]

The White House announced on July 11 that Lt. Gen. A. C. Wedemeyer will depart for China and Korea immediately to make an appraisal of the over-all situation in that region. His mission

will be fact-finding. He will be accompanied by a small group of experts whose names appear below. It is expected that General Wedemeyer will return within six weeks to submit a report of his observations to the President.

Head of Mission: Lt. Gen. A. C. Wedemeyer, Special Representative of the President with the rank of Ambassador

Fiscal Adviser: David Jenkins, Far East Section, Division of Monetary Research, Treasury Department

Political Adviser: Phillip Sprouse, Office of Far Eastern Affairs, Department of State

Engineering Adviser: Rear Adm. Carl A. Trexel, Civil Engineer Corps, Navy Department

Economic Adviser: Melville Walker, Division of Investment and Economic Development, Department of State

Public Relations Adviser: Mark Watson, Baltimore Sun

Request of Haiti for Flotation of Internal Loan

[Released to the press July 10]

The Government of Haiti, acting under the provisions of the Executive agreement of September 13, 1941,¹ entered into between the Governments of Haiti and the United States, has requested the acquiescence of this Government to the flotation of an internal loan in Haiti of \$10,000,000. The acquiescence of this Government was given in an exchange of notes signed at Port-au-Prince on July 4, 1947.

Article VII of the Executive agreement of 1941 provides that, until the amortization of the whole amount of the bonds of the external debt of 1922 and 1923 of the Government of Haiti shall have been completed, the public debt of the Republic of Haiti shall not be increased except by previous agreement between the two Governments. The Government of Haiti, in requesting such an acquiescence at this time, stated that the proceeds of the internal loan would be used in part for amortization of the 1922 and 1923 bond issues.

Translation of note from the Secretary of State for Foreign Affairs² of Haiti to the American Ambassador³ at Port-au-Prince

I have the honor to inform you that, commencing on or before August 1, 1947, the Govern-

ment of the Republic of Haiti will give notice under Article V of loan agreements of the 1922-23 Series A and C bonds of redemption on October 1, 1947 of all the bonds of these issues and the certificates of interest in Series C bonds and that in this connection and for other public purposes the Government of the Republic of Haiti desires to proceed at once to float an internal loan in the amount of \$10,000,000.

To the extent necessary, the proceeds of the proposed internal loan will be used in the first instance exclusively for the purpose of redeeming the said bonds and certificates of interest. To this end the proceeds of the internal loan will be delivered to the designated representative in Haiti of the holders of the Series A and C bonds immediately upon the receipt of such proceeds by the Government of the Republic of Haiti and such representative will cause the said proceeds to be converted into United States dollars as expeditiously as possible and transferred to the Fiscal Agent of the loans. For the purpose of further assuring the redemption of the said bonds and certificates of interest on October 1, 1947 my

¹ Executive Agreement Series 220.

² Edmé Th. Manigot.

³ Harold H. Tittmann, Jr.

Government will confer upon the Fiscal Agent of the loans irrevocable authority on behalf of my Government to cause notice of redemption of the said bonds to be given in the manner provided in the loan contracts and will procure from the National Bank of the Republic of Haiti and deliver to your Government and to the Fiscal Agent prior to the first publication of such notice of redemption the said Bank's undertaking that on or before October 1, 1947 there will be on deposit with the Fiscal Agent in trust for the redemption of the said bonds and certificates of interest on that date a sum in United States dollars (in immediately available New York City funds) sufficient so to redeem the same.

In this connection, I refer to the second paragraph of Article VII of the Executive Agreement of September 13, 1941, which provides that, until the complete amortization of the whole amount of the bonds of the external debt of 1922 and 1923 of the Government of Haiti, the public debt of the Republic of Haiti shall not be increased except by previous agreement between the Governments of the United States of America and the Republic of Haiti.

I would appreciate it if you would confirm the understanding of my Government that no objection is entertained by the Government of the United States to the flotation of the said internal loan, and that when notice of redemption of the said bonds of Series A and C and certificates of interest in Series C bonds shall have been given in accordance with the loan contracts and funds sufficient for the redemption thereof shall have been deposited with the Fiscal Agent in trust for the redemption of the said bonds and certificates of interest on October 1, 1947 as above set forth, the Government of the United States will consider that the conditions set forth in the second paragraph of Article XI of the Agreement of September 13, 1941 have been met.

I have the honor to inform you that my Government will consider this note, together with a note from you in reply indicating the approval of your Government as constituting an agreement between the two Governments, on the terms outlined above, with respect to the proposed Haitian internal loan and redemption of outstanding external bonds of 1922 and 1923 and certificates of interest.

Accept [etc.]

Text of reply from the American Ambassador at Port-au-Prince

I have the honor to acknowledge the receipt of Your Excellency's note of July 4, 1947 with reference to the desire of Your Excellency's Government to float an internal loan in connection with its intention to redeem in their entirety the bonds and certificates of interest in bonds of the external debt of 1922-23 of the Government of Haiti.

In reply to the inquiry in Your Excellency's note, July 4, 1947, I take pleasure in informing you, pursuant to instructions from my Government, as follows:

The Government of the United States of America is agreeable to the proposed internal loan.

The Government of the United States of America will consider the full execution of the undertakings set forth in your note, including the calling for redemption of the outstanding bonds of Series A and C and certificates of interest in Series C bonds and the deposit of monies with the Fiscal Agent in trust for the redemption of such bonds and certificates of interest, all as set forth in your note, as meeting the conditions set forth in the second paragraph of Article XI of the Executive Agreement of September 13, 1941.

The Government of the United States of America will consider Your Excellency's note, together with this note in reply, as constituting an agreement between the two Governments under the terms outlined above, with respect to the proposed Haitian internal loan and redemption of outstanding external bonds of 1922-23.

Accept [etc.]

Herbert J. Spinden To Lecture at University of Mexico

Herbert J. Spinden, world authority on Mayan culture, left on July 8 for Mexico City, where he will be visiting professor at the University of Mexico. Dr. Spinden, dean of the Scientific Section of the Brooklyn Museum, will lecture at the Institute of Anthropology of the National University of Mexico, under the joint sponsorship of the Department of State and the University of Mexico.

Mexico Limits Importation of Nonessential Goods

[Released to the press July 11]

The Departments of Commerce and State announced on July 11 that the Government of Mexico has taken action which will affect United States exports to that country. In decrees published on July 11 in the *Diario Oficial* (Official Gazette), the Mexican Government took action to suspend temporarily the importation of certain goods regarded as nonessential and also to increase import duties on an additional selected group of commodities. The action was taken in order to check the heavy drain upon the Mexican reserves of foreign exchange by continued heavy imports. None of the articles enumerated in schedule I of the trade agreement between the two countries signed December 23, 1942, on which Mexico granted tariff concessions in the agreement, has been subjected to increase in duties.

The Mexican action with respect to suspension of imports of those commodities covered by the trade agreement was taken after full consultation with representatives of the United States pursuant to article X of the trade agreement.

It is understood that this action represents no change in the long-term foreign economic policy of the Mexican Government, which continues to have as its objective the general expansion of international trade. The action is a temporary measure to correct the current deficit in Mexico's balance of international payments.

The decree suspending imports was effective as of July 11, but there are provisions for the granting of import permits on all shipments in transit and also for *bona fide* orders placed before May 18, 1947, for which payment arrangements have been fixed and which are to be delivered before October 15, 1947. Application for import licenses for such orders must be made by Mexican importers before August 15, 1947. In addition, there is provision for special consideration in cases of grave injury to exporters or importers.

The decree suspending imports envisages that quotas will later be established to replace the suspensions and that these restrictions will ultimately

be withdrawn as the Mexican balance of international payments improves.

The classes of commodities affected by the suspension order are:

Canned meat; certain fresh, dried, and canned fruits; furniture (wood and metal); tanned furs, fur wearing apparel; bags, wallets, and purses (of or containing leather); cut diamonds; glass and crystal wares; jewelry; refrigerators; certain wearing apparel and hosiery; coated cotton cloth; velvets; carpets; certain cosmetics; wines and alcoholic beverages; Kraft paper and cardboard; advertisements; catalogs and calendars (but not before January 1, 1948); antiques; certain fountain pens and pencils; radio receivers, phonographs, and pianos; watches; automobiles, trucks, and busses.

The decree establishing increased rates of duties, also published on July 11, will become effective 15 days from that date. It affects the following classes of commodities:

Certain preserved fish, including codfish and sardines; artificial fibers of animal origin; beverage coloring (sugar base); unspecified essential oils; copper, including electrolytic; lamps and lanterns; locks and key blanks; curtain rods; calcium carbide; certain buttons; cigaret paper; trimmed felt hats; machetes; motorcycles.

Details as to the list of commodities subject to suspension and the list subject to duty increases will shortly be obtainable from the Department of Commerce or any of its field offices.

Letters of Credence

Ecuador

The newly appointed Ambassador of Ecuador, L. Neftali Ponce, presented his credentials to the President on July 11, 1947. For texts of the translation of the Ambassador's remarks, and the President's reply, see Department of State press release 573 of July 11, 1947.

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Contributors

Isabel A. Baldwin, author of the article on U.S. cordage supply policy, is a Commodities Specialist in the Division of International Resources, Department of State.

John C. Montgomery, author of the article on U.S. cotton textile export policy, is Divisional Assistant, Division of International Resources, Department of State.